

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

1.9
Ag81Exp
1944
v.1
Reserve

VOLUME NO. 1

EXPLANATORY NOTES

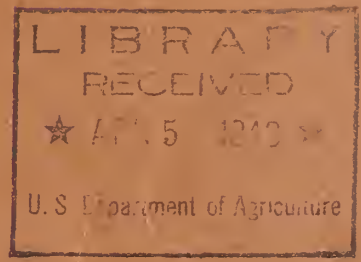
FOR

DEPARTMENT OF AGRICULTURE

BUDGET ESTIMATES

FISCAL YEAR

1944



CONTENTS

	PAGES
TABLE OF CONTENTS	1
TABLE SHOWING BUDGET ESTIMATES, 1944, COMPARED WITH APPROPRIATIONS, 1943	1
SUBAPPROPRIATION TABLE OF BUDGET ESTIMATES, 1944, COMPARED WITH APPROPRIATIONS, 1943	7
FINANCING OF THE OFFICE OF THE SECRETARY, OFFICE OF SOLICITOR, OFFICE OF INFORMATION, LIBRARY, AND THE BUREAU OF AGRICULTURAL ECONOMICS	16
DELETION OF WORDS "OF AGRICULTURE" THROUGHOUT THE APPROPRIATION BILL	18
OFFICE OF THE SECRETARY	19
OFFICE OF THE SOLICITOR	38
OFFICE OF INFORMATION	59
LIBRARY	78
EXTENSION SERVICE	84
BUREAU OF AGRICULTURAL ECONOMICS	114
OFFICE OF FOREIGN AGRICULTURAL RELATIONS	143
INTERNATIONAL PRODUCTION CONTROL COMMITTEES	153
OFFICE FOR AGRICULTURAL WAR RELATIONS	156

24
USDA
LIB

530.15
254-277

319015
C O N T E N T S

11

(Volume 1)

	<u>Pages</u>
Table showing Budget Estimates, 1944, compared with Appropriations, 1943	1 - 6
Subappropriation Table of Budget Estimates, 1944, compared with Appropriations, 1943	7 - 15
Financing of the Office of the Secretary, Office of Solicitor, Office of Information, Library, and the Bureau of Agricultural Economics	16 - 17
Deletion of words "of Agriculture" throughout the Appropriation Bill	18
OFFICE OF THE SECRETARY:	
Salaries and expenses	19 - 31
Quarters, Heat and Light Allowance authorization	32 - 33
Working capital fund	34 - 36
Supplemental funds	37
OFFICE OF THE SOLICITOR:	
Salaries and expenses	38 - 57
Supplemental funds	58
OFFICE OF INFORMATION:	
Salaries and expenses	59 - 67
Supplemental funds	67
Printing and binding	68 - 77
LIBRARY:	
Salaries and expenses	78 - 83
EXTENSION SERVICE:	
The estimates for 1944:	
Payments to States and Territories:	
General statement	84 - 89
Cooperative extension work	90 - 95
Capper-Ketcham extension work	95 - 96
Additional cooperative extension work	96
Extension work, section 21, Bankhead-Jones Act	97
Alaska	97 - 99
Puerto Rico	99 - 103
Salaries and expenses:	
Administration and coordination of extension work	104 - 111
Cooperative agricultural extension work	112
Supplemental funds	113

BUREAU OF AGRICULTURAL ECONOMICS:

Pages

Salaries and expenses:

Economic investigations	114 - 134
Crop and livestock estimates	135 - 140
Supplemental funds	141

OFFICE OF FOREIGN AGRICULTURAL RELATIONS:

Salaries and expenses	143 - 150
Supplemental funds	151

INTERNATIONAL PRODUCTION CONTROL COMMITTEES 153 - 155

OFFICE FOR AGRICULTURAL WAR RELATIONS 156

United States Department of Agriculture

Budget Estimates, 1944 Compared with Appropriations, 1943

Note: Figures in brackets [] not included in totals

Item	Appropriations, 1943 <u>a/</u>	Budget Estimates, 1944	Increase or decrease, Budget Estimates com- pared with Ap- propriations, 1943
Group I, Action Programs and Admin- istrations:			
Agricultural Conservation and Ad- justment Administration:			
Conservation and use of agri- cultural land resources	\$444,470,072:	\$400,000,000:	-44,470,072
Parity payments:			
Direct appropriation	- - b/193,623,000:		+193,623,000
Reappropriation	5,386,958:	- -	-5,386,958
Sugar Act	47,356,447: c/	63,883,060:	+16,526,613
Federal Crop Insurance Act	8,327,912:	7,818,748:	-509,164
Soil erosion control program ..	22,276,516:	22,042,992:	-233,524
Land utilization program (Title III, Farm Tenant Act)	1,443,162:	1,126,120:	-317,042
Payments to counties from sub- marginal land program	61,500:	66,500:	+5,000
Farm Security Administration:			
Loans, grants, and rural re- habilitation:			
Direct appropriation	d/ 37,306,053:	36,607,573:	-698,480
Reappropriation	5,000,000:	- -	-5,000,000
Loans (R.F.C. funds)	[97,500,000]:	[97,500,000]:	- -
Farm tenancy (Title I, Farm Tenant Act):			
Salaries and expenses	1,471,860:	1,326,070:	-145,790
Loans (R.F.C. funds)	[32,500,000]:	[30,000,000]:	[-2,500,000]
Liquidation and management of resettlement projects (Title IV, Farm Tenant Act)	427,126:	421,039:	-6,087

a/ Figures adjusted on the basis of transfers in the 1944 estimates.

b/ The Budget Estimate provides funds to liquidate the obligations incurred pursuant to the contract authorization contained in the Department of Agriculture Appropriation Act, 1943, for full parity payments on the 1942 crop, and provides for contract authorization to make full parity payments, if needed, in connection with the crop years 1943 and 1944.

c/ The Budget Estimate provides for increased conditional payments to sugar producers for the fiscal years 1943 and 1944 pursuant to the change in the base rate of payment provided in Public Law 386, 77th Congress.

d/ Includes \$202,585 appropriated under "Water facilities, arid and semiarid areas" in 1943.

Item	Appropriations, 1943 <u>e/</u>	Budget Estimates, 1944	Increase or decrease, Budget Estimates com- pared with Ap- propriations, 1943
Agricultural Marketing Adminis- tration:			
Exportation and domestic con- sumption of agricultural com- modities:			
Permanent appropriation (section 32)	\$131,429,833	\$96,000,000:	-\$35,429,833
Reappropriation	43,847,499:	25,000,000:	-18,847,499
Marketing Service	6,478,809:	6,100,640:	-378,169
Rural Electrification Adminis- tration:			
Administrative expenses	3,007,083:	2,683,000:	-324,083
Loans (R.F.C. funds)	[10,000,000]:	[30,000,000]:	[+20,000,000]
Cooperative Farm Forestry	698,000:	696,168:	-1,832
Commodity Credit Corporation:			
Administrative expenses from Corporation funds	<u>e/</u> [4,138,498]:	[4,500,000]:	[+361,502]
Emergency rubber project	<u>f/</u> 19,000,000:	56,000,000: <u>f/</u>	+37,000,000
Farm Credit Administration:			
Salaries and expenses:			
Direct appropriation	<u>g/</u> 2,326,801:	689,259:	-1,637,542
Transfer from emergency crop and feed loans	[3,603,076]:	[3,938,561]:	[+335,485]
Amounts chargeable against activities administered by FCA :	[2,280,493]:	[3,224,588]:	[+944,095]
Farmers' crop production and harvesting loans:			
Direct appropriation	- - <u>h/</u> 4,907,273:		+4,907,273
Reappropriation	11,427,731:	3,449,655:	-7,978,076
Collections available	[18,625,000]:	[19,250,000]:	[+625,000]

e/ Includes \$625,000 authorized by the Second Supplemental National Defense Ap-
propriation Act, 1943.

f/ Appropriation of \$19,000,000 for 1943 contained in the Second Supplemental
National Defense Appropriation Act, 1943. In addition, \$8,282,442 available
in 1943 from funds appropriated in 1942; thus there is an increase in working
funds for 1944 of \$28,717,558.

g/ Excludes \$483,477 for Credit Union Section, transferred to Federal Deposit In-
surance Corporation pursuant to Executive Order 9148, Appropriation of
\$24,800,000 for 1943 made to Treasury Department for payments to Federal land
banks on account of reductions in interest rate on mortgages.

h/ For replenishing the funds available for loans under this program.

Item	Appropriations, 1943 a/	Budget Estimates, 1944	Increase or decrease, Budget Estimates com- pared with Ap- propriations, 1943
Farm Credit Administration - Cont'd			
Federal Farm Mortgage Corporation:			
Administrative expenses from			
Corporation funds	i/ [\$9,050,000]	[\$7,822,000]	[-\$1,228,000]
Orchard rehabilitation loans (re- appropriation)	j/ 400,000	- -	-400,000
Total, Action Programs and Ad- ministrations	792,143,362	922,441,097	+130,297,735

Group II, Other Activities including:			
research and extension (and payments to States therefor), pest and			
disease control, forestry, regula- tory, and other services, etc:			
Office of the Secretary	1,673,588	1,573,184:k/	- 100,404
Working capital fund for centra- lized services	- -:l/	400,000	+400,000
Office of Solicitor	1,976,433	1,804,105:k/	-172,328
Office of Information	1,846,038	1,688,000:k/	-158,038
Library	469,007	468,932	-75
Extension Service:			
Payments to States for agricul- tural extension work	18,863,660	18,943,660	+80,000
Salaries and expenses	641,358	638,843	-2,515
Bureau of Agricultural Economics..	3,365,102	3,531,502:m/	+166,400
Office of Foreign Agricultural Relations	n/ 321,795	420,670:o/	+98,875
Office for Agricultural War Relations p/.....	[475,000]	p/	p/

- i/ Appropriation of \$9,000,000 for 1943 made to Treasury Department for payments on account of reduction in interest rate on mortgages.
- j/ Provided by the Second Deficiency Appropriation Act, 1942.
- k/ The Budget Estimates provide for decreases in working funds available (by direct appropriation and by transfer), as follows: Office of the Secretary, \$177,764; 173,099; Office of Solicitor, \$146,296; and Office of Information, \$159,038.
- l/ The Budget Estimates provide a non-expendable working capital fund for economical operation of certain centralized services.
- m/ Includes an increase of \$195,970 for "Crop and livestock estimates" and a decrease of \$29,570 for "Economic investigations." The Budget Estimates provide a total decrease of \$112,970 in working funds available (by direct appropriation and by transfer) for "Economic investigations."
- n/ Includes \$100,000 appropriated in the Second Supplemental National Defense Appropriation Act, 1943.
- o/ This increase is to establish on a full fiscal year basis the expenses of the Joint United States-Great Britain Combined Food Board, for which \$100,000 was provided for six months in the fiscal year 1943.
- p/ Appropriation of \$475,000 provided by the First Supplemental National Defense Appropriation Act, 1943. Estimate not included in 1944 Budget--not included in totals.

Item	Appropriations, 1943 <u>a/</u>	Budget Estimates, 1944	Increase or decrease, Budg Estimates com- pared with Ap- propriations, 1943
Agricultural Research Administration:			
Office of the Administrator	\$62,000:	\$61,965:	-\$35
Special Research Fund	1,150,000:	1,147,086:	-2,914
Office of Experiment Stations:			
Payments to States for agricul- tural experiment stations	6,926,208:	7,001,208:	+75,000
Salaries and expenses	246,747:	239,302:	-7,445
Bureau of Animal Industry:			
Eradicating tuberculosis and Bang's disease:			
Direct appropriation	3,573,869:	5,983,800:	+2,409,931
Reappropriation	2,463,331:	- -	-2,463,331
Other work of Bureau	<u>a/</u> 9,770,558:	10,041,195: <u>r/</u>	+270,637
Bureau of Dairy Industry	756,617:	755,720:	-897
Bureau of Plant Industry	5,140,337:	4,821,430:	-318,907
Bureau of Entomology and Plant Quarantine	5,108,439:	4,869,640:	-238,799
Bureau of Agricultural Chemistry and Engineering	<u>s/</u> 918,084:	860,205:	-57,879
Regional Research Laboratories ...	3,967,395:	3,959,385:	-8,010
Bureau of Home Economics	<u>t/</u> 386,270:	366,131:	-20,139
Beltsville Research Center	105,855:	100,560:	-5,295
White pine blister rust control ...	<u>u/</u> 1,949,000: <u>v/</u>	1,946,342:	-2,658
Forest Service:			
Forest fire cooperation	3,992,210:	3,989,723:	-2,487
Acquisition of forest lands	294,862:	100,000:	-194,862
Payment to States and roads and trails for States	2,361,453:	2,361,453:	- -

a/ Includes \$680,000 appropriated in the Second Supplemental National Defense Appropriation Act, 1943.

r/ Includes decrease of \$36,442 and an increase of \$307,079 to establish on a full fiscal year basis additional meat inspection work made necessary by the war and by the extension of this activity to establishments concerned with intrastate commerce only; \$680,000 was provided on a part-year basis in 1943.

s/ Includes \$30,000 appropriated in the Second Supplemental National Defense Appropriation Act, 1943.

t/ Includes \$20,000 appropriated in the First Supplemental National Defense Appropriation Act, 1943.

u/ Includes \$175,000 transferred to Department of the Interior.

v/ Includes \$174,910 for transfer to Department of the Interior.

Item	Appropriations, 1943 a/	Budget Estimates, 1944	Increase or decrease, Budget Estimates com- pared with Ap- propriations, 1943
Forest Service - Cont'd			
Other work, including protection and management of national forests, research, etc.	\$15,745,687	\$16,151,948 w/	+ \$406,261
Forest Roads and Trails	6,965,335	3,778,723	-3,186,612
Total, other activities	101,041,238	98,004,712	-3,036,526
TOTAL, APPROPRIATIONS AND REAPPROPRIATIONS	893,184,600	1,020,445,809	+127,261,209
Deduct reappropriations included in foregoing:			
Parity payments (including \$265,943 transferred to staff offices) ...	-5,652,901	- -	+5,652,901
Exportation and domestic consump- tion of agricultural commodities (including \$650,246 transferred to staff offices)	-44,497,745	-25,000,000	+19,497,745
Loans, grants, and rural rehabili- tation	-5,000,000	- -	+5,000,000
Farm Credit Administration (Emer- gency crop and feed loans) (1943 includes \$96,227 transferred to staff offices)	-11,523,958	-3,449,655	+8,074,303
Orchard rehabilitation loans	-400,000	- -	+400,000
Eradicating tuberculosis and Bang's disease (Animal Industry)	-2,463,331	- -	+2,463,331
Total, deductions, as above	-69,537,935	-28,449,655	+41,088,280
TOTAL, DIRECT APPROPRIATIONS	823,646,665	991,996,154	+168,349,489
Loan authorizations from R.F.C., ad- ministrative expenses from Corpora- tion funds, etc.--listed above but not included in totals	174,093,991	192,296,588	+18,202,597

w/ Includes an apparent increase of \$415,000 to finance emergency forest plantation care, for which \$457,091 is available in 1943 from funds appropriated in 1942. Thus, there is a decrease in working funds of \$42,091 for 1944 for this item.

TRUST FUNDS

Item	Appropriations, 1943	Budget Estimates, 1944	Increase or decrease, Budget Estimates com- pared with Ap- propriations, 1943
Cooperative work, Forest Service ..	\$2,000,000:	\$2,000,000:	-
Agricultural Conservation and Ad- justment Administration:			
Grain moisture content and grade determinations for Commodity			
Credit Corporation	1,950,000:	1,925,000:	-\$25,000
Undistributed cotton-price ad- justment payments	1,500:	1,000:	-500
Farm Security Administration:			
Payments in lieu of taxes and for operation and maintenance of re- settlement projects	1,175,000:	890,000:	-285,000
State Rural Rehabilitation Corpora- tion funds	3,500,000:	3,600,000:	+100,000
Liquidation of deposits, reserve for maintenance and repair, lease and purchase contracts and agreements :	110,250:	140,500:	+30,250
Agricultural Marketing Administra- tion:			
Farm products inspection, Agri- cultural Marketing Administration:	2,474,260:	2,474,260:	-
Classification of cotton for Commodity Credit Corporation ...	125,000:	125,000:	-
Redemption of order stamps	168,000,000:	-	-168,000,000
Miscellaneous contributed funds ...	127,100:	134,900:	+7,800
Unearned fees and other charges, unclaimed moneys, etc.	32,200:	32,200:	-
Total, trust funds	179,495,310:	11,322,860:	-168,172,450

Prepared by: Office of Budget and Finance
Division of Estimates and Allotments
Estimates Section
December 31, 1942

United States Department of Agriculture
Subappropriation Table of Budget Estimates, 1944, Compared with Appropriations, 1943
Note: Figures in brackets [] not included in totals

Item	Appropriation: 1943 a/	Budget estimate, 1944	Increase or decrease, 1944
OFFICE OF THE SECRETARY	\$1,673,588:	\$1,573,184:	b/ -\$100,404
WORKING CAPITAL FUND FOR CENTRALIZED SERVICES	- - c/	400,000:	+400,000
OFFICE OF SOLICITOR	1,976,433:	1,804,105:	b/ -172,328
OFFICE OF INFORMATION:			
Salaries and expenses	546,038:	488,000:	-58,038
Printing and binding	1,300,000:	1,200,000:	-100,000
Total	1,846,038:	1,688,000:	b/ -158,038
LIBRARY	469,007:	468,932:	-75
EXTENSION SERVICE:			
Payments to States:			
Capper-Ketcham extension work	1,480,000:	1,480,000:	- -
Additional cooperative extension work	555,000:	555,000:	- -
Extension work, Section 21, Bankhead-Jones Act	12,000,000:	12,000,000:	- -
Alaska	23,950:	23,950:	- -
Puerto Rico	100,000:	180,000:	+80,000
Cooperative agricultural extension work (permanent)	4,704,710:	4,704,710:	- -
Total, payments to States	18,863,660:	18,943,660:	+80,000
Salaries and expenses:			
Administration and coordination of extension work	641,358:	638,843:	-2,515
Total	19,505,018:	19,582,503:	+77,485
BUREAU OF AGRICULTURAL ECONOMICS:			
Economic investigations	2,206,806:	2,177,236:	b/ -29,570
Crop and livestock estimates	1,158,296:	1,354,266:	+195,970
Total	3,365,102:	3,531,502:	+166,400
OFFICE OF FOREIGN AGRICULTURAL RELATIONS	d/ 321,795:	420,670:	e/ +98,875

a/ Figures adjusted on the basis of transfers in the 1944 estimates.

b/ The Budget estimates provide for decreases in working funds available (by direct appropriation and by transfer), as follows: Office of the Secretary, \$177,764; Office of Solicitor, \$146,296; Office of Information, \$159,038; and Bureau of Agricultural Economics, economic investigations, \$112,970.

c/ The Budget estimates provide a nonexpendable working capital fund for economical operation of certain centralized services.

d/ Includes \$100,000 appropriated in the Second Supplemental National Defense Appropriation Act, 1943.

e/ This increase is to establish on a full fiscal year basis the expenses of the Joint United States-Great Britain Combined Food Board, for which \$100,000

Item	Appropriation: 1943 a/	Budget estimate, 1944	Increase or decrease, 1944
OFFICE FOR AGRICULTURAL WAR RELATIONS f/:	\$[475,000]:	f/	f/
AGRICULTURAL RESEARCH ADMINISTRATION:			
OFFICE OF THE ADMINISTRATOR	62,000:	\$61,965:	\$-35
SPECIAL RESEARCH FUND	1,150,000:	1,147,086:	-2,914
OFFICE OF EXPERIMENT STATIONS:			
Payments to States:			
Hatch Act	720,000:	720,000:	-
Adams Act	720,000:	720,000:	-
Purnell Act	2,880,000:	2,880,000:	-
Hawaii	67,500:	90,000:	+22,500
Alaska	25,000:	37,500:	+12,500
Puerto Rico	50,000:	90,000:	+40,000
Title I, Bankhead-Jones Act	2,463,708:	2,463,708:	-
Total, payments to States	6,926,208:	7,001,208:	+75,000
Salaries and expenses:			
Administration of grants to States and coordination of research	156,155:	156,010:	-145
Insular experiment stations	90,592:	83,292:	-7,300
Total, salaries and expenses ..	246,747:	239,302:	-7,445
Total	7,172,955:	7,240,510:	+67,555
BUREAU OF ANIMAL INDUSTRY:			
General administrative expenses	165,840:	165,575:	-265
Animal husbandry	801,970:	800,000:	-1,970
Diseases of animals	708,030:	706,463:	-1,567
Eradicating tuberculosis and Bang's disease:			
Direct appropriation	3,573,869:	5,983,800:	+2,409,931
Reappropriation	2,463,331:	-	-2,463,331
Eradicating cattle ticks	276,000:	250,000:	-26,000
Hog-cholera control	102,000:	100,580:	-1,420
Inspection and quarantine	666,000:	661,350:	-4,650
Meat inspection	g/ 6,827,000:	7,134,079: h/	+307,079
Virus Serum Toxin Act	223,718:	223,148:	-570
Total	15,807,758:	16,024,995:	+217,237
BUREAU OF DAIRY INDUSTRY	756,617:	755,720:	-897

f/ Appropriation of \$475,000 provided by the First Supplemental National Defense Appropriation Act, 1943. Estimate not included in 1944 Budget - not included in totals.

g/ Includes \$680,000 appropriated in the Second Supplemental National Defense Appropriation Act, 1943.

h/ This increase is to establish on a full fiscal year basis additional meat inspection work made necessary by the war and by the extension of this activity to establishments concerned with intrastate commerce only; \$680,000 was provided on a part-year basis in 1943.

Item	Appropriation: 1943 a/	Budget estimate, 1944	Increase or decrease, 1944
AGRICULTURAL RESEARCH ADMINISTRATION: Contd.			
BUREAU OF PLANT INDUSTRY:			
General administrative expenses	\$183,430:	\$183,430:	- -
Cereal crops and diseases	577,395:	547,070:	\$-30,325
Cotton and other fiber crops and diseases	446,355:	422,940:	-23,415
Drug and related plants	65,890:	62,250:	-3,640
Dry-land agriculture	230,788:	219,040:	-11,748
Forage crops and diseases	358,500:	292,000:	-66,500
Forest pathology	258,460:	244,100:	-14,360
Fruit and vegetable crops and diseases	1,430,539:	1,356,840:	-73,699
Irrigation agriculture	142,220:	134,900:	-7,320
National Arboretum	54,892:	38,000:	-16,892
Plant exploration, introduction, and surveys	301,403:	286,160:	-15,243
Plant Industry Experiment Farm	51,109:	48,550:	-2,559
Soil and fertilizer investigations ..	337,251:	320,130:	-17,121
Soil survey	205,430:	195,160:	-10,270
Sugar-plant investigations	369,725:	350,340:	-19,385
Tobacco investigations	126,950:	120,520:	-6,430
Total	5,140,337:	4,821,430:	-318,907
BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE:			
General administrative expenses ...	145,700:	138,420:	-7,280
Fruit insects	404,630:	383,920:	-20,710
Japanese beetle control	382,275:	360,120:	-22,155
Sweetpotato weevil control	71,585:	67,770:	-3,815
Mexican fruitfly control	163,740:	155,320:	-8,420
Citrus canker eradication	10,160:	9,650:	-510
Gypsy and brown-tail moth control ..	382,570:	363,060:	-19,510
Dutch elm disease eradication	352,475:	333,330:	-19,145
Phony peach and peach mosaic eradication	92,190:	87,090:	-5,100
Forest insects	199,680:	189,700:	-9,980
Truck crop and garden insects	324,020:	307,340:	-16,680
Cereal and forage insects	371,395:	380,170:	+8,775
Barberry eradication	182,970:	173,250:	-9,720
Cotton insects	148,439:	140,730:	-7,709
Pink bollworm and Thurberia weevil control	483,135:	457,460:	-25,675
Bee culture	79,500:	75,530:	-3,970
Insects affecting man and animals ..	175,105:	165,940:	-9,165
Insect-pest survey and identifica- tion	140,000:	133,000:	-7,000
Foreign parasites	20,775:	19,740:	-1,035
Control investigations	66,585:	63,260:	-3,325
Insecticide and fungicide investi- gations	120,015:	113,820:	-6,195
Transit inspection	41,235:	38,940:	-2,295
Foreign plant quarantines	719,550:	682,900:	-36,650
Certification of exports	30,710:	29,180:	-1,530
Total	5,108,439:	4,869,640:	-238,799

Item	Appropriation: 1943 a/	Budget estimate, 1944	Increase or decrease, 1944
AGRICULTURAL RESEARCH ADMINISTRATION: Contd.			
BUREAU OF AGRICULTURAL CHEMISTRY AND ENGINEERING:			
General administrative expenses	\$102,044:	\$102,044:	-
Agricultural chemical investigations	349,251:	348,557:	-69
Agricultural engineering investi- gations	i/ 348,333:	297,504:	-50,82
Naval-stores investigations	118,456:	112,100:	-6,35
Total	918,084:	860,205:	-57,87
REGIONAL RESEARCH LABORATORIES	3,967,395:	3,959,385:	-8,01
BUREAU OF HOME ECONOMICS	j/ 386,270:	366,131:	-20,13
BELTSVILLE RESEARCH CENTER	105,855:	100,560:	-5,29
WHITE PINE BLISTER RUST CONTROL:			
Bureau of Entomology and Plant Quarantine	730,000:	728,440:	-1,56
Forest Service	1,044,000:	1,042,992:	-1,00
Department of the Interior	175,000:	174,910:	-90
Total	1,949,000:	1,946,342:	-2,65
FOREST SERVICE:			
Salaries and expenses:			
General administrative expenses	569,144:	563,670:	-5,47
National forest protection and management	12,710,691:	12,826,826:	+116,135
Water rights	10,000:	9,410:	-590
Fighting forest fires	100,000:	100,000:	-
Private forestry cooperation	112,442:	111,942:	-500
Forest plantation care	- - k/	415,000: k/	+415,000
Forest management	543,829:	514,900:	-28,929
Range investigations	255,500:	241,970:	-13,530
Forest products	991,789:	940,280:	-51,509
Forest survey	200,292:	189,400:	-10,892
Forest economics	119,000:	112,580:	-6,420
Forest influences	133,000:	125,970:	-7,030
Total, salaries and expenses	15,745,687:	16,151,948:	+406,261
Forest fire cooperation	3,992,210:	3,989,723:	-2,487
Acquisition of lands for national forests	294,862:	100,000:	-194,862
Total, annual appropriations, general accounts	20,032,759:	20,241,671:	+208,912

i/ Includes \$30,000 appropriated in the Second Supplemental National Defense Appropriation Act, 1943.

j/ Includes \$20,000 appropriated in the First Supplemental National Defense Appropriation Act, 1943.

k/ Apparent increase - \$457,091 - is available for this work in 1943 from funds appropriated in 1942; thus, there is a decrease in working funds of \$42,091 for 1944 for this item.

Item	Appropriation: 1943 a/	Budget estimate, 1944	Increase or decrease, 1944
FOREST SERVICE: Contd.:			
Payments to States and territories from the national forests fund	\$1,670,043:	\$1,670,043:	--
Payments to school funds, Arizona and New Mexico, national forests fund	23,392:	23,392:	--
Roads and trails for States, national forests fund	668,018:	668,018:	--
Total	22,394,212:	22,603,124:	+208,912
FOREST ROADS AND TRAILS	6,965,335:	3,778,723:	-3,186,612
EMERGENCY RUBBER PROJECT	1/19,000,000:	56,000,000:1/	+37,000,000
COOPERATIVE FARM FORESTRY	698,000:	696,168:	-1,832
COMMODITY CREDIT CORPORATION:			
Administrative expenses from Corporation funds	m/[4,138,498]:	[4,500,000]:	[+361,502]
AGRICULTURAL CONSERVATION AND ADJUST- MENT ADMINISTRATION:			
CONSERVATION AND USE OF AGRICUL- TURAL LAND RESOURCES	444,470,072:	400,000,000:	-44,470,072
PARITY PAYMENTS:			
Direct appropriation	n/193,623,000:		+193,623,000
Reappropriation	5,386,958:	--:	-5,386,958
Total	5,386,958:	193,623,000:	+188,236,042
SUGAR ACT	47,356,447:	o/ 63,883,060:	+16,526,613
FEDERAL CROP INSURANCE ACT:			
Administrative and operating expenses	8,327,912:	7,818,748:	-509,164

1/ Appropriation of \$19,000,000 provided by the Second Supplemental National Defense Appropriation Act, 1943. The addition, \$8,282,442, is available in 1943 from funds appropriated in 1942; thus, there is an increase in working funds for 1944 of \$28,717,558.

m/ Includes \$625,000 authorized by the Second Supplemental National Defense Appropriation Act, 1943.

n/ The Budget estimate provides funds to meet the obligations incurred pursuant to the contract authorization included in the Department of Agriculture Appropriation Act, 1943, for full parity payments on the 1942 crop, and provides for contract authorization to make full parity payments, if needed, in connection with the crop years 1943 and 1944.

o/ The Budget estimate provides for increased conditional payments to sugar producers for the fiscal years 1943 and 1944 pursuant to the change in the base rate of payment provided in Public Law 386, 77th Congress.

Item	Appropriation: 1943 a/	Budget estimate, 1944	Increase or decrease, 1944
AGRICULTURAL CONSERVATION AND ADJUST- MENT: ADMINISTRATION: Contd.			
SOIL CONSERVATION SERVICE:			
General administrative expenses	\$501,315	\$501,315	-
Soil and moisture conservation and land-use investigations...	1,339,429	1,339,429	-
Soil and moisture conservation and land-use operations, demonstrations, and information	20,360,124	20,130,000	-230,124
Emergency erosion control, Ever- glades region; Florida	75,648	72,248	-3,400
Total	22,276,516	22,042,992	-233,524
LAND UTILIZATION AND RETIREMENT OF SUBMARGINAL LAND (TITLE III, FARM TENANT ACT)	1,443,162	1,126,120	-317,042
Payments to counties from submarginal land program	61,500	66,500	+5,000
FARM SECURITY ADMINISTRATION: LOANS, GRANTS, AND RURAL REHABILITATION:			
Direct appropriation	p/37,306,053	36,607,573	-698,480
Reappropriation	5,000,000	-	-5,000,000
Total	42,306,053	36,607,573	-5,698,480
R.F.C. funds for loans	[97,500,000]	[97,500,000]	-
FARM TENANCY (TITLE I, FARM TENANT ACT)			
Salaries and expenses	1,471,860	1,326,070	-145,790
R.F.C. funds for loans	[32,500,000]	[30,000,000]	[-2,500,000]
LIQUIDATION AND MANAGEMENT OF RESET- TLEMENT PROJECTS (TITLE IV, FARM TENANT ACT)	427,126	421,039	-6,087
AGRICULTURAL MARKETING ADMINISTRATION: EXPORTATION AND DOMESTIC CONSUMPTION OF AGRICULTURAL COMMODITIES:			
Permanent appropriation Section 32	131,429,833	96,000,000	-35,429,833
Reappropriation	43,847,499	25,000,000	-18,847,499
Total	175,277,332	121,000,000	-54,277,332
MARKETING SERVICE:			
General administrative expenses	31,000	-	-31,000
Market news service	1,141,655	1,084,570	-57,085
Market inspection of farm products	477,837	450,430	-27,407
Marketing farm products	375,450	355,250	-20,200
Tobacco Inspection and Tobacco Stocks and Standards Acts	866,000	812,530	-53,470

p/ Includes \$202,585 appropriated under "Water facilities, arid and semiarid areas" in 1943.

Item	Appropriation: 1943 a/	Budget estimate, 1944	Increase or decrease, 1944
AGRICULTURAL MARKETING ADMINISTRATION:			
MARKETING SERVICE: Contd.			
Perishable agricultural commodities, produce agency and Standard Container Acts	\$188,285:	\$177,920:	\$-10,365
Cotton Quality Statistics, Cotton Classing, and Cotton Standards and Cotton Futures	992,428:	937,580:	-54,848
United States Grain Standards Act ..	783,358:	742,330:	-41,028
United States Warehouse Act	465,415:	440,910:	-24,505
Federal Seed Act	84,890:	80,650:	-4,240
Packers and Stockyards Act	398,044:	378,140:	-19,904
Naval Stores Act	31,700:	30,120:	-1,580
Enforcement of the Insecticide Act ..	176,715:	167,880:	-8,835
Commodity Exchange Act	466,032:	442,330:	-23,702
Total	6,478,809:	6,100,640:	-378,169
RURAL ELECTRIFICATION ADMINISTRATION:			
Administrative expenses	3,007,083:	2,683,000:	-324,083
R.F.C. funds for loans	[10,000,000]:	[30,000,000]:	[+20,000,000]
FARM CREDIT ADMINISTRATION:			
Salaries and expenses:			
Direct appropriation	q/ 2,326,801:	689,259:	-1,637,542
Transfer from emergency crop and feed loans	[3,603,076]:	[3,938,561]:	[+335,485]
Amounts chargeable against activities administered by FCA ..	[2,280,493]:	[3,224,538]:	[+944,095]
Farmers' crop production and harvesting loans:			
Direct appropriation	- -:	r/ 4,907,273:	+4,907,273
Reappropriation	11,427,731:	3,449,655:	-7,978,076
Collections available	[18,625,000]:	[19,250,000]:	[+625,000]
Total	13,754,532:	9,046,187:	-4,708,345
FEDERAL FARM MORTGAGE CORPORATION	s/ [9,050,000]:	[7,822,000]:	[-1,228,000]
ORCHARD REHABILITATION LOANS	t/ 400,000:	- -:	-400,000
TOTAL, APPROPRIATIONS AND REAPPROPRIATIONS	893,184,600:	1,020,445,809:	+127,261,209

q/ Excludes \$483,477 for Credit Union Section, transferred to Federal Deposit Insurance Corporation pursuant to Executive Order 9148. Appropriation of \$24,800,000 for 1943 made to Treasury Department for payments to Federal Land Banks on account of reduction in interest rate on mortgages.

r/ For replenishing the funds available for loans under this program.

s/ Appropriation of \$9,000,000 for 1943 made to Treasury Department for payments on account of reduction in interest rate on mortgages.

t/ Provided by the Second Deficiency Appropriation Act, 1942.

Item	Appropriation: 1943 a/	Budget estimate, 1944	Increase or decrease, 1944
DEDUCT REAPPROPRIATIONS INCLUDED IN FOREGOING:			
Parity payments (includes \$265,943 transferred to staff offices) ...	\$-5,652,901:	- -	\$+5,652,901
Exportation and domestic consumption of agricultural commodities (includes \$650,246 transferred to staff offices)	-44,497,745:	\$-25,000,000:	+19,497,745
Loans, grants, and rural rehabilitation	-5,000,000:	- -	+5,000,000
Farm Credit Administration:			
Emergency crop and feed loans (includes \$96,227 transferred to staff offices)	-11,523,958:	-3,449,655:	+8,074,303
Orchard rehabilitation loans	-400,000:	- -	+400,000
Eradicating tuberculosis and Bang's disease (BAI)	-2,463,331:	- -	+2,463,331
Total, deductions, as above ...	-69,537,935:	-28,449,655:	+41,088,280
TOTAL, DIRECT APPROPRIATIONS (exclusive of trust funds)	823,646,665:	991,996,154:	+168,349,489
Loan authorizations from R.F.C. administrative expenses from Corporation funds, etc. - listed above but not included in totals.....	174,093,991:	192,296,588:	+18,202,597

- 15 -
TRUST FUNDS

Item	Appropriation: 1943	Budget estimate, 1944	Increase or decrease, 1944
Cooperative work, Forest Service	\$2,000,000:	\$2,000,000:	--
Agricultural Conservation and Adjustment Administration:	:	:	:
Grain moisture content and grade determinations for Commodity Credit Corporation	1,950,000:	1,925,000:	\$-25,000
Undistributed cotton-price adjustment payments	1,500:	1,000:	-500
Farm Security Administration:	:	:	:
Payments in lieu of taxes and for operation and maintenance of resettlement projects	1,175,000:	890,000:	-285,000
State Rural Rehabilitation Corporation funds	3,500,000:	3,600,000:	+100,000
Liquidation of deposits, reserve for maintenance and repair, lease and purchase contracts and agree- ments	110,250:	140,500:	+30,250
Agricultural Marketing Administration:	:	:	:
Farm products inspection, Ag- ricultural Marketing Administration:	2,474,260:	2,474,260:	--
Classification of cotton for Commodity Credit Corporation	125,000:	125,000:	--
Redemption of order stamps	168,000,000:	--:	-168,000,000
Miscellaneous contributed funds	127,100:	134,900:	+7,800
Unearned fees and other charges, unclaimed moneys, etc.	32,200:	32,200:	--
Total, trust funds	179,495,310:	11,322,860:	-168,172,450

Prepared by: Office of Budget and Finance
Division of Estimates and Allotments
Estimates Section
December 31, 1942

FINANCING OF THE OFFICE OF THE SECRETARY, OFFICE OF SOLICITOR,
OFFICE OF INFORMATION, LIBRARY, AND THE BUREAU OF AGRICULTURAL ECONOMICS

The Budget estimates for 1944 provide for a simplified method of financing the five staff offices enumerated above, by including certain funds in the direct appropriations of these offices in lieu of amounts previously allotted or transferred from other appropriations, with corresponding reductions in the other appropriations involved. Following is a brief review of the manner of financing these offices for the past several years, together with a description of the Budget provisions for 1944.

Prior to 1942

Prior to the fiscal year 1942, the Department was authorized to finance these offices, in part, by allotments of funds from the various action or program appropriations. This procedure was authorized in basic legislation or in the appropriation act itself in recognition of the fluctuating nature of the newer agricultural programs and of the need for providing legal, budgetary, financial, informational, statistical, library, and other administrative services, under varying conditions of program development and execution.

Fiscal Year 1942

For the fiscal year 1942 Congress provided for transferring to and merging with the appropriations for the Office of Solicitor and the Bureau of Agricultural Economics funds previously allotted from other appropriations, and amounts to be transferred were specified in the Act itself or by reference to the Budget estimates. This method considerably simplified accounting procedures in the case of these two offices since it was no longer necessary to keep separate records of each allotment; in addition, it enabled the Congress, the Budget Bureau, and interested individuals to review in less complicated fashion, the entire financing of these offices.

Fiscal Year 1943

For the fiscal year 1943 the Budget proposed, and the Congress approved, extending the plan employed in the case of the Office of Solicitor and the Bureau of Agricultural Economics for the preceding year to the Office of the Secretary, the Office of Information and the Library, so that in addition to the technical advantages from an accounting standpoint, the Budget schedules reflected in one statement the over-all estimates of these agencies. Under this arrangement the amounts transferred were those shown in the Budget schedules with such adjustments as were necessary to take into account changes made by Congress, as compared with the Budget estimates, in the amounts of the transferring appropriations. Authority for such adjustments was provided in the appropriation act in the case of each of these offices.

Fiscal Year 1944

The Budget estimates for the fiscal year 1944 provide for adjusting the amounts of the direct appropriations for these five offices to include funds previously allotted or transferred from other appropriations of the Department. These

adjustments have been effected only in those cases (with one exception noted below) where it is possible to reduce correspondingly the appropriations from which the allotments or transfers would otherwise have been made, and it should be emphasized that the transferring appropriations have in all cases been reduced by amounts corresponding to the funds merged with the appropriations of the staff offices. It should also be noted that the total amounts merged with the direct appropriations are less than the total amounts actually transferred in the fiscal year 1943 to the Office of the Secretary, Office of Solicitor, Office of Information, and the Bureau of Agricultural Economics (economic investigations). The amounts involved are shown in detail in the Explanatory Notes for the appropriations concerned.

Where the transfers or allotments involve appropriations or authorizations in which no corresponding reduction can be made, such as corporate funds, "no-year funds," etc., provision is made for continuing "annual transfers" to these staff offices by retaining the transfer language included in the 1943 Act. An exception to this arrangement occurs in the case of the funds transferred to the staff offices from the appropriation "Exportation and domestic consumption of agricultural commodities." In this case the amounts merged with the staff office appropriations are not offset by a reduction in the direct appropriation for exportation and domestic consumption since no direct annual appropriation estimate is included in the 1944 Budget for that item. Instead, the offset will be made by placing in reserve in 1944 an amount equal to the funds to be appropriated under the staff office headings.

It is recommended that this arrangement be adopted in the interest of further simplification, clarity and economy of operation. Under the plan proposed, the direct appropriations for these staff offices will for the first time reflect, with the few exceptions referred to above, the total funds available to them insofar as services arising out of the activities contained in the Department of Agriculture Appropriation Act are concerned.

DELETION OF WORDS "OF AGRICULTURE"
THROUGHOUT THE APPROPRIATION BILL

The Budget estimate provides for simplifying the appropriation language through the entire bill by deleting the words "of Agriculture." This is made possible by amending the first paragraph of the bill to read "For the Secretary of Agriculture, hereafter in this Act referred to as the Secretary ****" and by changing the first reference to the Department to read "the Department of Agriculture, hereafter in this Act referred to as the Department."

The deletion of the words "of Agriculture" occur in many places throughout the bill, and, to avoid repetition, no specific explanation is given of each such deletion under the various appropriations affected.

OFFICE OF THE SECRETARY

(a) SALARIES AND EXPENSES

Appropriation Act, 1943:

Salaries, Office of the Secretary	\$618,509 *
Miscellaneous expenses	<u>98,341 *</u>
Total, salaries and expenses, 1943	716,850
Transfers, 1943, from other appropriations ..	+1,138,339
Transfers, 1943, to other appropriations	<u>-33,431</u>
Total available, 1943	1,821,758
Budget Estimate, 1944:	
Direct appropriation	1,573,184 **
Transfers to be available in 1944 from	
other appropriations	<u>+75,476 ***</u>
Total available, Budget Estimate, 1944	1,648,660
Net decrease in total available funds (in-	
cluding decrease of \$12,800 travel funds	
returned to surplus)	<u>-173,098</u>

* The 1944 estimates provide for consolidation of these two items (see "Change in language").

** The Budget Estimate of \$1,573,184 in the direct appropriation for 1944 consists of the following:

Direct appropriation, 1943	\$716,850	
Less reduction below 1943	<u>-53,389</u>	\$663,461
Funds transferred (including details)		
in 1943, proposed for direct appropria-		
tion in 1944 (see statement below)	990,169	
Less reduction below 1943	<u>-34,215</u>	<u>955,954</u>
		1,619,415

Less:

Funds proposed for appropriation in 1944 under:

"Salaries and expenses, Bureau of Agricul-		
tural Economics, economic investigations"	30,551	
"Salaries and expenses, Library"	<u>2,880</u>	
	33,431	
Travel funds returned to surplus in 1943	<u>-12,800</u>	<u>-46,231</u>
Direct appropriation, Budget Estimate, 1944 ..		<u>1,573,184</u>

Appropriations from which transfers were made in 1943, and in which re- ductions are provided in 1944 in amounts equal to the funds merged with "Salaries and expenses, Office of the Secretary"	Trans- ferred 1943	Amount to be merged with appropria- tion 1944	Increase or decrease, amount to be merged in 1944 compared with transfers 1943
Conservation and use of agricultural land resources	\$413,520:	\$400,000:	-\$13,520
Regional Research Laboratories	4,000:	4,000:	- -
Parity payments	28,261:	28,261:	- -
Exportation and domestic consumption of agricultural commodities	155,695:	140,000:	-15,695
Administration of Sugar Act	25,370:	25,370:	- -
Administration of Federal Crop Insurance Act	69,600:	69,600:	- -
Administrative expenses, Farm Tenancy	7,820:	7,820:	- -
Liquidation and management of resettle- ment projects	7,860:	7,860:	- -
Land utilization and retirement of sub- marginal land	21,220:	21,220:	- -
Loans, grants, and rural rehabilitation ..	142,163:	137,163:	-5,000
Cooperative Farm Forestry	2,000:	2,000:	- -
Salaries and expenses, Rural Electrifi- cation	61,750:	61,750:	- -
Marketing Service, Agricultural Marketing Administration, Commodity Exchange Act (includes \$1,440 in salary of person formerly detailed to the Office of the Secretary)	3,080:	3,080:	- -
Soil Conservation Service, soil and mois- ture conservation and land use operations: demonstrations, and information (includes: \$11,780 for salaries of persons formerly detailed to Office of the Secretary)....	21,780:	21,780:	- -
Salaries and expenses, Forest Service, national forest protection and manage- ment (for salaries of persons formerly detailed to Office of the Secretary) ...	6,120:	6,120:	- -
Salaries and expenses, Bureau of Animal Industry, eradicating tuberculosis and Bang's disease (for salary of person formerly detailed to Office of the Secretary)	1,800:	1,800:	- -
Salaries and expenses, Bureau of Agricul- tural Economics, economic investigations (for salaries of persons formerly de- tailed to Office of the Secretary)	2,820:	2,820:	- -
Salaries and expenses, Office of Informa- tion (incident to transfer of ADAM to the Office of Plant and Operations, Office of the Secretary)	15,310:	15,310:	- -
Total	990,169:	955,954:	-34,215

*** Transfers totaling \$75,476 (a net decrease of \$72,694 below 1943) will continue to be made in 1944 from authorizations, "no year funds," etc., as follows:

Appropriations from which transfers will continue to be made in 1944	1943	1944	Increase or decrease
Special Research Fund	\$1,920:	\$1,920:	- -
Administrative expenses, Commodity Credit Corporation	61,390:	61,390:	- -
Flood control, general	59,360:	4,666:	-54,694
Removal and reestablishment of Arlington Farm	25,500:	7,500:	-18,000
Total	148,170:	75,476:	-72,694

PROJECT STATEMENT

Project	1942	1943 (estimated)	1944 (estimated)	Increase or decrease
1. General administration (including offices of the Secretary, Under Secretary, and Assistant Secretary)	\$222,066:	\$207,639:	\$197,388:	-\$10,251(1)
2. Personnel administration and service (including divisions of classification, employment, training, organization and per- sonnel management, investigations and personnel relations and safety)	540,688:	533,389:	480,000:	-53,389(2)
3. Budget and finance administra- tion and service (including divisions of accounts, esti- mates and allotments, fiscal management, purchase, sales and traffic, and bureau accounting service)	535,629:	555,366:	511,215:	-44,151(3)
4. General operations (including divisions of communications, real estate, equipment, admin- istrative services, motor trans- port, central supply, and Technical Advisory Board)	453,384:	400,190:	383,146:	-17,044(4)
5. Land use coordination (depart- mental coordination of land-use surveys, planning, policies, and programs, including soil conservation, erosion control, rural rehabilitation, flood con- trol, land utilization and pur- chase, sub-marginal land, water facilities in the arid and semi- arid States, and related programs)	148,808:	112,374:	76,911:	-35,463(5)

PROJECT STATEMENT - Contd.

Project	1942	1943 :(estimated):	1944 :(estimated):	Increase or decrease
Covered into Treasury in accordance: with Public Law 674	- -	\$12,800:	- -	-\$12,800
Unobligated balance	\$179,149:	- -	- -	- -
Total, available funds	2,079,724:	1,821,758:	\$1,648,660:	-173,098
Continuing transfers from other appropriations	-172,770:	-148,170:	-75,476:	
Total estimate 1944 and compara- ble amounts 1943 and 1942	1,906,954:	1,673,588:	1,573,184:	

INCREASES OR DECREASES

The net decrease of \$173,098 in total available funds for this item consists of \$12,800 in travel funds (returned to surplus in 1943) and:

(1) A decrease of \$10,251 under the project for "General administration," which will be met by a reduction in expenditures for personal services and general expenses.

(2) A decrease of \$53,389 under the project for "Personnel administration and service," which will be met by a general curtailment of personnel activities at the Departmental level.

(3) A decrease of \$44,151 under the project for "Budget and finance Administration and service," \$18,000 of which is due to the approaching completion of the removal and reestablishment of Arlington Farm, with its resulting decrease in the need for procurement, technical, and financial services, and \$26,151 of which will be met by a curtailment in general budgetary and financial services, principally expenditures for personal services and equipment.

(4) A decrease of \$17,044 under the project for "General operations," which will be effected by a reduction in expenditures for personal services and general expenses.

(5) A decrease of \$35,463 under the project for "Land use coordination," resulting from the bringing to a close the Department's program of preliminary examinations and surveys under the Flood Control Act of 1936.

CHANGE IN LANGUAGE

The changes proposed in the language of this item contemplate the consolidation of the appropriation item "Salaries, Office of the Secretary" and the appropriation item "Miscellaneous expenses, Department of Agriculture" into "Salaries and expenses, Office of the Secretary of Agriculture," as follows. (new language underscored, deleted matter enclosed with brackets):

For the Secretary[, Under Secretary, and Assistant Secretary] of Agriculture, hereafter in this Act referred to as the Secretary, and [for] other personal services in the Office of the Secretary in the District of Columbia, and elsewhere, [~~\$618,509~~] and other necessary expenses, including the purchase of one and the maintenance, repair, and operation of four motor-propelled passenger-carrying vehicles; travel expenses, including examination of estimates for appropriations in the field; stationery, supplies, materials, and equipment, freight, express, and drayage charges, advertising, communication service, postage, washing towels, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, which are authorized by such officer as the Secretary may designate, \$1,573,184, together with such amounts from other appropriations or authorizations as are provided in the schedules in the Budget for the fiscal year [1943] 1944 for such services and expenses, which several amounts or portions thereof, as may be determined by the Secretary, not exceeding a total of [~~\$1,000,488~~] \$75,476, shall be transferred to and made a part of this appropriation[; and there may be expended for personal services in the District of Columbia in said Office of the Secretary not to exceed the total amount provided in the Budget schedules for such purpose under this appropriation]: Provided, however, That if the total amounts of such appropriations or authorizations for the fiscal year [1943] 1944 shall at any time exceed or fall below the amounts estimated, respectively, therefor in the Budget for [1943] 1944, the amounts transferred or to be transferred therefrom to this appropriation and the amount which may be expended for personal services in the District of Columbia shall be increased or decreased in such amounts as the Director of the Bureau of the Budget, after a hearing thereon with representatives of the Department of Agriculture, hereafter in this Act referred to as the Department, shall determine are appropriate to the requirements as changed by such reductions or increases in such appropriations or authorizations: Provided further, That the Secretary [of Agriculture] is authorized to contract for stenographic reporting services, and the appropriations made in this Act shall be available for such purposes[: Provided further, That the Secretary of Agriculture is authorized], and to expend from appropriations available for the purchase of lands not to exceed \$1 for each option to purchase any particular tract or tracts of land: ***[Provided further, That the Secretary of Agriculture is

authorized to make microfilm or other photographic reproductions of books and other library materials in the Department of Agriculture and sell such reproductions at such prices (not less than estimated cost of furnishing same) as he may determine, the money received from such sales to be deposited in the Treasury to the credit of the appropriation charged with the cost of making such reproductions] Provided further, That, except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States (5 U. S. C. 511-517 (secs. 511-512, establishing Department of Agriculture, apply to all appropriation items of the Department which are not based upon specific legislative authority either incorporated in the language of the item or cited immediately thereunder), 520a, 542; 56 Stat. 664-665).

1. The appropriation item "Miscellaneous expenses, Department of Agriculture" is deleted entirely, and the necessary authorities, limitations, and restrictions are inserted in either identical or similar wording under the consolidated item "Salaries and expenses, Office of the Secretary" as follows:

The "Miscellaneous expenses" language (as it appears in the 1943 Act) from the beginning down to the second proviso is inserted immediately preceding the appropriation amount of the new item. The wording has been rearranged, for clarity, to place in juxtaposition the enumeration of miscellaneous authorized items of expenditure. Under the revised language, funds will be provided for the same miscellaneous expense items as were authorized heretofore by the appropriation "Miscellaneous expenses, Department of Agriculture," except that those items contained in the second proviso (relating to the motor transport service) and the third, fourth, fifth, and sixth provisos (relating to the central supply services and inventory) are included, in somewhat different form, in new language providing for a working capital fund. The final proviso relating to expenditures for twine, is inserted at the end of the combined item.

2. The words "and expenses" are inserted in the title "Salaries, Office of the Secretary." The words "and necessary expenses" and "and expenses" are inserted at appropriate places near the beginning of the combined item.

3. The limitation on personal services in the District of Columbia which was incorporated in the 1943 Act by reference to the "amount provided in the Budget schedules for such purposes" has been omitted, since by the very nature of the item all funds for personal services, except a small amount (\$11,280) are for services in the District of Columbia.

4. The authorization with respect to microfilm or other reproductions of books, etc., is deleted from the combined item and inserted under "Salaries and expenses, Library," as explained in the Explanatory Notes for the Library.

The remaining changes (1) make the necessary changes from "1943" to "1944," and (2) relate to eliminating the words "of Agriculture" from the Act, as previously explained.

WORK UNDER THIS APPROPRIATION

The Office of the Secretary administers the national agricultural program and Federal agricultural statutes, formulates broad agricultural policies, prescribes and directs the administrative processes of the Department, and is responsible for Agriculture's part in the successful prosecution of the war. The office exercises general supervision over the personnel, fiscal, housing, and other facilitating services of the Department, and coordinates and integrates the programs of the various bureaus. It is financed by the appropriations "Salaries, Office of the Secretary" and "Miscellaneous expenses, Department of Agriculture." The appropriations are merged, in the 1944 estimates, under the single title "Salaries and expenses, Office of the Secretary."

In the discharge of the Department's war-time responsibilities, the feeding of our Nation, as well as our allies, is of paramount importance. Direction of departmental activities toward the attainment of this objective requires not only coordination and supervision of the bureau programs so that they may reach the farmers and the general public as one national agricultural program embracing the entire country, but also recruiting and training of the personnel required to execute the Department's complex war-time functions, the securing and proper accounting of funds to insure economical and efficient program execution, the housing of the Department's activities, the conservation of its equipment, and the generally efficient, economical, and business-like administration of its affairs.

The Secretary of Agriculture discharges these responsibilities with the assistance of staff officers, whose functions are delegated as follows:

General administration: The general administration of the Department is vested in the Office of the Secretary, which includes the Under Secretary, Assistant Secretary, and their executive staffs.

The Nation's participation in the war, with its concomitant problems which require immediate attention and speedy solution, has greatly intensified the already immense job of administering the affairs of the Department. Through relying heavily on the Office for Agricultural War Relations and placing even greater dependence than heretofore on the other staff offices, plus the frequent meetings which the Secretary holds with the Departmental War Board, it has been possible to achieve and maintain effective Departmental administration and to cope with the numerous situations which transcend the functions and responsibilities of any single bureau.

The reorganization of the Department in December, 1941, to meet wartime conditions, which resulted in the regrouping of 19 of the Department's bureaus and administrations into 8 major agencies, has worked out well. With the heads of the 8 agencies serving as members of the Departmental War Board, the development and execution of the major agricultural policies has been greatly facilitated. Further changes in the over-all organization will be made as required in order that administrative management and operation will continue to be maintained at the highest possible level.

The Department's budget estimates were prepared prior to the issuance of Executive Order 9280, centralizing responsibility for the Nation's food program in the Department of Agriculture, and therefore do not reflect the further reorganization which that Order will entail.

Personnel administration and service: The Office of Personnel, under the Director, is divided into six divisions: Organization and Personnel Management, Classification, Employment, Training, Personnel Relations and Safety, and Investigations.

The Office of the Director integrates the personnel program with the research, technical, regulatory, inspection, administrative, and other programs of the Department; represents and acts for the Secretary in personnel management relationships with other Federal, state, or private agencies; and plans, organizes, directs, and coordinates all phases of a comprehensive personnel program for the Department. In addition to this, the Office of Personnel, acting for the Secretary, is responsible for the administration of the Civil Service rules and regulations governing recruitment, promotion, separation and similar actions included under the general heading of Personnel Administration and Management. Further, there must be administered the provisions of laws, Executive Orders, decisions of the Comptroller General and the many new directives in the field of personnel administration which have been put into effect since the beginning of the war.

The program objectives have been and are being expanded and redefined to meet the wartime demands of this nation and those of our Allies for food and fiber. The task ahead is a tremendous one. Our objectives may be realized in an effective and timely fashion only if the most competent employees from the diminishing source of manpower available to the Department are recruited; if the skills and abilities of our personnel are efficiently utilized in the work to be done; if they are properly trained and supervised on their jobs; and if the conditions under which they work are such as to enable them to function at their best.

To the fulfillment of these objectives the Office of Personnel is directing its every effort to assure the most effective utilization of the resources of human energy available to the Department through the administration of a personnel program designed for positive action against a rapidly changing background of significant events. The Office of Personnel has put into effect a program to develop sources of recruitment both from within and outside the Department for replacement of personnel who have left the Department to go into military service, or who have transferred to other war agencies.

Other current activities include:

- (a) Delegation of authority to bureau administrators and personnel officers which will enable them to make decisions and take action at the source of the personnel problem.
- (b) Participating in decentralization of activities located in Washington to the field, and establishing procedures to take care of personnel actions after such decentralization.
- (c) Developing policies and procedures and instituting training programs that will insure standard personnel practices in connection with delegation of authority to bureau administrators and personnel officers.
- (d) Conducting studies of present procedures so as to eliminate all but the minimum necessary to complete personnel requirements.
- (e) Interpreting changes in Federal service-wide personnel policies and preparing communications for the guidance of bureau personnel officers and bureau administrators.
- (f) Aiding in the reorganization of the Department to carry out the responsibilities of the Secretary under wartime conditions.
- (g) Surveying types of positions, establishing position classes, and preparing and issuing class specifications.
- (h) Liaison with the regional labor board of the Commissioner of Internal Revenue in connection with the wage and salary stabilization policy. Wage and salary policy established by Executive Order 9250 dated October 3, 1942, and administering the policy as it applies to all employees of the Department and its instrumentalities---whose salaries are not fixed in accordance with law.
- (i) Development of a comprehensive Farm Simplification Training Program designed to be used by Department personnel responsible for farm labor programs in increasing the efficiency of inexperienced farm workers.
- (j) Aid in the development of a Farm Safety Program to help reduce the number of farm accidents, which has increased through the employment of inexperienced farm workers.

Budget and finance administration and service: The Office of Budget and Finance operates through budget examiners who serve as liaison officers and program analysts with respect to the various administrations and bureaus of the Department and through the following types of functional units: Estimates and Allotments, Budgetary Reports and Statistics, Legislative Reports and Service, Fiscal Management, Accounts, Fiscal Examination, Claims, Purchases, Sales and Traffic, etc.

One of the most significant continuing operations of the Office is the preparation, in cooperation with the bureaus, of the annual budget for the Department and its presentation and justification to the Bureau of the Budget and Congress. In examining recent bureau estimates and justifications, the Office has given particular attention to the contributions which all programs are making to the war effort, as well as to the urgent and continuing need for economy during the war period. Every effort is made to ensure against duplication of work within the Department. The Office is continuing its work on improvements in the content and quality of the budgetary material for use of the Budget Bureau and the Appropriation Committees.

The financial aspects of Departmental reorganization, decentralization of certain activities, and the introduction of new programs and projects such as lend-lease, emergency rubber, Alaska spruce, Latin American cooperation, research and control work for the Army and the Navy, cooperation with OEM, WPB, and OPA, increased production of food and fiber, supply of farm labor, etc., have greatly increased the responsibilities of the Office for budgetary examination and program analysis. The majority of these added programs involve new problems in the fields of budgeting, accounting, legislative authority, fiscal management, procurement, etc., which must be promptly and effectively solved. The Office, and particularly the program analysts, has operated as the central focal point for the day to day solution of these problems and the implementation of the budgetary, fiscal and procurement phases of the operations.

The Office has general oversight of the expenditures of the Department in order to ensure efficient and economical program execution. This function is implemented through activity and financial reports based upon data obtained from the set of summary and control accounts which the Office maintains, and from the records and reports of the Departmental project system and other sources. In the course of the expenditure of funds, the Office also reviews the budgetary and financial aspects of dockets and other program proposals, involving special authorizations, changes in regulations, etc., which are presented for Secretarial or other departmental approval.

In a continuing effort to improve the quality and effectiveness of budgetary, fiscal and accounting activities, the Office assists the bureaus in the handling of special problems, advises and consults with them on budgetary and fiscal matters, and aids in developing standardized methods and procedures. Particular attention is being given problems arising out of the war programs administered by the several agencies of the Department in order that their urgent objectives may be attained in the earliest possible time consistent with the proper safeguarding of public funds.

Other significant activities of the Office include over-all management of the purchasing and contracting functions, and direct handling of the more important and complex procurement requirements; the securing of priorities from the War Production Board for the purchase of materials to meet the Department's needs; the preparation of apportionment and status of appropriation reports; the operation of an accounting service for certain units which do not maintain their own accounting offices; the maintenance of appropriation control, records of transferred and allotted funds, and related accounts for the Department as a whole; the periodic examination of the fiscal offices of the operating bureaus; and the administration of Treasury, Budget Bureau and General Accounting Office regulations, circulars, etc., as they affect the budgetary and fiscal operations of the Department.

General operations: The Office of Plant and Operations is responsible, on a departmental basis, for the following functions: conservation and utilization of equipment, housing of department activities, communication services, operation of a central storeroom and supply service, and the administrative service functions for the Office of the Secretary.

In addition to its normal functions, the Office of Plant and Operations has engaged in four major activities arising from the outbreak of hostilities. These are (1) decentralization of departmental activities, (2) equipment conservation, (3) equipment mobilization for civilian defense, and (4) war mapping coordination.

Working in conjunction with the Public Buildings Administration, suitable quarters in the field were obtained for agencies of the Department affected by the decentralization program. Details of furniture and equipment arrangement were perfected to insure maximum utilization of facilities, myriad articles of furniture were inventoried for shipment, assistance was furnished in personnel housing problems, and every effort made to consummate successfully the decentralization program. Other major adjustments in field space were accomplished, chiefly dictated by the forced evacuation of Agriculture units to provide quarters for activities more directly connected with the prosecution of hostilities. At Jackson, Mississippi, the consolidation of six branches of the Department under a single roof, with obvious operational and economical benefits, was accomplished. In Washington, a comprehensive program is being pressed to release rented quarters for the needs of other agencies. Worthy of mention in this connection is the release by the Soil Conservation Service of the Standard Oil Building. A vigorous records disposal program, designed to transfer permanent records to the National Archives and to dispose of valueless papers, is expected to release substantial amounts of space and equipment to meet vital needs.

Surplus property activities of the entire Department have been transferred by the Secretary of Agriculture to the Office of Plant and Operations and responsibility for conserving the Department's equipment resources has been vested in the Chief of the Office as equipment conservator. Material progress in equipment conservation and utilization has since been made. The following objectives have been established: (1) development of new standards

of equipment utilization to meet the emergency, (2) proper dispersion of equipment to meet the over-all needs of the Department, and (3) release for use elsewhere of all equipment not essential to our operations. A large amount of furniture and equipment has been transferred between the various bureaus of the Department to insure full utilization. Much equipment also has been transferred to the Procurement Division, and at many points throughout the country equipment has been made available to the War and Navy Departments, Civil Aeronautics Authority, War Relocation Authority, Office for Emergency Management, and other agencies.

In conjunction with equipment conservation, a salvage canvass is being conducted to bring to light vital scrap material.

On March 19, 1942, the Secretary imposed rigid restrictions on automotive transportation within the Department and vested in the Chief of the Office of Plant and Operations responsibility for developing a program to this end. As a result, the use of automotive equipment for official travel and other purposes has been reduced to a minimum, thereby conserving to the greatest possible extent, the Department's resources during the war period.

In the field of war mapping, the Department's photographic and cartographic laboratories, together with their trained personnel, have been made available to the War and Navy Departments. Coordination of the work at the departmental level was effected by the Office of Plant and Operations and has insured proper dispersal of mapping for the armed forces among the various department laboratories to effect maximum utilization of facilities and the swift and even flow of the work.

The Department early moved to cooperate with the Office of Civilian Defense in making available considerable quantities of Department-owned equipment susceptible of conversion to defense needs. The Secretary, on December 17, 1941, established the USDA equipment mobilization program, which has progressed successfully in conjunction with local civilian defense units throughout the country and is recognized as a vital factor in the war program.

Land use coordination: The Office of Land Use Coordination is a staff unit in the Office of the Secretary to assist in handling various administrative problems involved in coordinating the Department's land-use, water-use and credit policies and programs within the Department and interdepartmentally, and in relation to the states; and to handle special tasks in the fields of administrative coordination and policy recommendation. The Office represents the Department on various interdepartmental and other committees, and serves as a focal point to which agencies in the land-use, water-use and credit fields may bring their problems of coordination.

The Office has been assigned the responsibility for recommending changes in credit policies and programs to enable farmers to meet the war production goals, the President's anti-inflation program, disruptions in production as the impact of wartime restrictions becomes more severe, and to help avoid a speculative boom in farm land values should danger of one appear. Legislative recommendations for facilitating disposition of old debts have been prepared.

The Office reviews referred requests for priorities for irrigation and drainage projects from the agricultural production standpoint and makes recommendations to the War Production Board. It coordinates Department activities of assistance to water users to maintain and improve production from irrigated farms.

The Office coordinates the activities of the Department agencies concerned with farm forestry with special emphasis on securing the maximum contribution of the farm woodland resource to war needs, consistent with adequate protection of farm woodlands and their owners.

Under the leadership of this Office, the Department's Committee on Agricultural Emergencies has been established to mobilize quickly the Department's resources in aid of farmers and ranchers affected by drouths, hurricanes, floods and other natural disasters, so as to minimize such interference with wartime agricultural production.

The Office, in consultation with the War Production Board, the Office of the Petroleum Coordinator for War, and the Department of the Interior, has developed uniform policies and procedures for making mineral resources of Department-owned lands fully available to the war effort. The Office reviews for departmental and interdepartmental policy all proposed awards of leases or development permits.

Special attention is given to coordination with the Department of the Interior. The Office worked out a cooperative agreement between the two Departments, now in effect, for handling soil and moisture conservation work on intermingled lands within soil conservation districts; developed cooperative arrangements for Department assistance to the Bureau of Reclamation for planning the development of the Central Valley (California) and other Reclamation projects; and has undertaken a joint study with representatives of the Secretary of the Interior, of western land utilization projects for the purpose of making adjustments to improve the use and administration of the resources. A procedure has been established for regular review and coordination of legislative proposals of interest to the two Departments. The Office coordinates the Wheeler-Case, water facilities, and other programs of the Department that involve agricultural use of western water, with the Bureau of Reclamation and other agencies of the Interior Department.

A report, with recommendations, on the problem of Federal contributions to state and local governmental units in lieu of taxes was prepared for the interdepartmental Federal Real Estate Board by a subcommittee of which a member of this Office is chairman. This problem has assumed a new and pressing importance because of large Federal acquisitions of tax-exempt real estate for war purposes.

The Office represents the Department in interdepartmental coordination of mapping activities recently undertaken by the Bureau of the Budget.

The Department's program of preliminary examinations and surveys under the Flood Control Act of 1936, for whose coordination the Office has responsibility, will be brought to a close by the first quarter of the fiscal year 1944, by which time valuable reports now requiring only final revision and review will be completed.

Quarters, Heat and Light Allowance
Authorization for 1944

This proviso limits the total that may be paid from the several bureau appropriations applicable as allowances to officers and employees of the Department of Agriculture permanently stationed in foreign countries, for living quarters, including heat, fuel, and light, under the provisions of the Act of June 26, 1930 (5 U.S.C. 118a).

The estimated allocations to the bureaus involved for the fiscal year 1942, 1943 and 1944 are as follows:

	: Actual	: Estimated	: Estimated
	: Fiscal Year	: Fiscal Year	: Fiscal Year
	: 1942	: 1943	: 1944
Bureau of Entomology and Plant Quarantine	: \$6,722.50:	\$7,260:	\$7,260
Commodity Credit Corporation	: - - :	3,200:	1,500
Departmental reserve authority for contingencies	: 13,277.50:	14,540:	16,240
Total	: 25,000.00:	25,000:	25,000

Although it may not be necessary to utilize the total amount of this authorization during 1944, continuation of general authority in the same sum as at present is recommended, in order that the Department may be enabled to meet whatever situation may arise in 1944.

A detailed schedule of the allowance amounts for 1942, and the present estimates for 1943 and 1944 follows:

SCHEDULE OF ALLOWANCES FOR LIVING QUARTERS, HEAT AND
LIGHT OF EMPLOYEES PERMANENTLY STATIONED ABROAD
(ACT OF JUNE 26, 1930)

Appropriation items	Title of position	Post of duty	Classification	Domestic	Group	Salary	Allowances		
							Actual	Estimated	
							1942	1943	1944
							of post		
Bureau of Entomology and Plant Quarantine									
Salaries and Expenses:									
Fruit Insects	Prin. Entomologist	Mexico City, Mex.	IV	M	2	\$6,200	\$720.00	\$720	\$720
"	Assoc.	"	IV	M	3	3,300	--	720	720
"	"	"	IV	M	3	2,700	660.00	720	720
"	"	"	IV	M	3	4,800	720.00	720	720
"	Chemist	"	IV	M	3	3,300	720.00	720	720
"	Asst. Entomologist	"	IV	M	3	3,300	720.00	720	720
"	Jr.	"	IV	M	3	2,100	720.00	720	720
Foreign Parasites	Entomologist	Montevideo, Uruguay	V	M	2	4,800	1,200.00	1,200	1,200
"	Asst. Entomologist	"	V	M	3	3,300	382.50	1,020	1,020
"	"	Yokohama, Japan	IV	S	2	3,300	467.50	--	--
"	"	"	IV	S	3	2,700	412.50	--	--
Total, Bureau of Entomology and Plant Quarantine							\$6,722.50	\$7,260	\$7,260
Commodity Credit Corporation:									
Administrative expenses:									
	Special Repre-	Rio de Janeiro,	V	M	2	5,600	--	1,500	1,500
	sentative	Brazil							
	Prin. Marketing	Lima, Peru	V	M	2	5,600	--	1,700	--
	Specialist								
Total, Commodity Credit Corporation							\$11,200	--	\$3,200
Total, Department of Agriculture							\$6,722.50	\$10,460	\$8,760

(b) WORKING CAPITAL FUND

The Budget estimate provides for the establishment of a working fund (a non-recurring item for 1944) for financing, on a reimbursement basis, central duplicating, photographic, supply and motor transport services in the Department in Washington as follows:

For the establishment of a working capital fund, \$400,000, without fiscal year limitation, for the payment of salaries and other expenses necessary to the maintenance and operation of (1) central duplicating, photographic, and tabulating services, (2) a central motor-transport service for the maintenance, repair, and operation of motor-transport vehicles and other equipment, (3) a central supply service for the purchase, storage, handling, issuance, packing, or shipping of stationery, supplies, equipment, blank forms, and miscellaneous materials, for which stocks thereof, not to exceed \$200,000 in value (except for the value of blank forms) at the close of any fiscal year, may be maintained sufficient to meet, in whole or in part, requirements of the bureaus and offices of the Department in the city of Washington and elsewhere, and (4) such other services as the Secretary, with the approval of the Director of the Bureau of the Budget, determines may be performed more advantageously as central services; said fund to be reimbursed from applicable funds of bureaus, offices, and agencies for which services are performed on the basis of rates which shall include estimated or actual charges for personal services, materials, equipment (including maintenance, repairs, and depreciation) and other expenses: Provided, That such central services shall to the fullest extent practicable, be used to make unnecessary the maintenance of separate like services in the bureaus, offices, and agencies of the Department: Provided further, That a separate schedule of expenditures and reimbursements, and a statement of the current assets and liabilities of the working capital fund as of the close of the last completed fiscal year, shall be included in the annual Budget."

Objective: To provide for financing certain centralized Department services on a reimbursement basis by the establishment of a nonexpendable working fund for the payment of necessary operating expenses pending receipt of reimbursements from the agencies served. Such a fund will eliminate duplication, make greater economy and efficiency possible, and assure that the effective operation of these services will not be handicapped by the lack of funds for the payment of salaries and the purchase of supplies required for production.

The Problem and its Significance: For a number of years the Department has maintained central motor transport and supply services in Washington. While these central service functions have been financed on a reimbursement basis, difficulty has been experienced in providing sufficient funds for uninterrupted operation since there is no capital on which they can operate pending receipt of reimbursements from the bureaus and agencies of the Department to which services are rendered. The only working funds available have come from the Department's appropriation for "miscellaneous expenses," which have been used, in pursuance of legislative authority, to meet payrolls and other operating costs until reimbursements can be obtained from the bureaus and agencies using the facilities.

These funds, however, have been quite inadequate for financing the central motor transport and supply organizations due to the relatively long periods of time required for the clearance of reimbursement vouchers and before cash represented thereby is available for expenditure. In this long process, agencies outside the Department and beyond our control are, of course, involved.

In the interest of efficiency of operation and greater utilization of available manpower and equipment, and in accordance with the directive of Circular 379 of the Bureau of the Budget, the Department in July 1942 consolidated all of the duplicating and much of the photographic work of the Department into a central service organization for the performance, on a reimbursement basis, of duplicating and photographic work for the several bureaus and agencies of the Department in Washington. The Department has succeeded, though with considerable difficulty, in financing the motor transport and central supply services under the present method above described. However, such funds are wholly inadequate for financing, in like manner, this consolidated duplicating and photographic service. A study is also being made of the possibility of consolidating in this central service unit all tabulating work performed in the Department in Washington, provided an adequate and business-like method of financing these central services can be provided.

Plan of Work: If a working capital fund, such as that proposed in the appropriation language submitted in the 1944 Budget can be provided, the Department would bring together under its Office of Plant and Operations the central services established in Washington for the performance of its duplicating, photographic, supply, and motor transport work; thus obtaining maximum utilization of labor and equipment engaged in such work in the Department of Agriculture in Washington. In this connection, it should be noted that the proposed appropriation language definitely requires the bureaus and agencies to utilize to the fullest extent practicable, such centralized services in order to "make unnecessary the maintenance of separate like services in the bureaus, offices and agencies of the Department." Although such a consolidation can be accomplished by Secretarial order, it would be inadvisable to issue a consolidation order until adequate provision is made for financing the centralized services. Under the proposal the expenses of these central services would be paid from the Working Capital Fund which would in turn be reimbursed from collections received from the various bureaus and agencies of the Department to which supplies, materials or services have been furnished. These collections would be based on charges established to cover all costs. The cost record system has already been developed for duplicating and photographic work which would be used as a basis for arriving at prices to be charged for these services. Both the motor transport and the central supply services have had a system in use for many years for determining proper charges for services which they render.

A precedent for a working capital fund such as that here proposed is found in the Procurement Division of the Treasury Department. A somewhat similar fund has been established, also, for the Government Printing Office.

Financial Requirements: Inasmuch as operating costs of these central services will, in the final analysis, be borne by the bureaus and agencies of the Department which will pay for the actual costs of services performed for them, the working capital fund proposed does not constitute an appropriation of money to be "spent"; rather it would be a cash fund from which the operating costs of the central services could be paid pending receipt of reimbursements from bureaus and agencies to which supplies, materials, or services are furnished. These reimbursements would be deposited to the working fund so that the integrity of the fund will be maintained, and the amount of the fund would be available at all times in the form of credits and cash. Thus, the working capital provided for under this proposal could be returned to the Treasury intact should the fund at some future time be abolished.

Following is a tabulation of the estimated operating costs for existing central services during the fiscal year 1944:

Central Supply Division	\$763,430
Motor Transport Service	28,610
Duplicating and Photographic Service .	<u>412,520</u>
	1,204,560

The Bureau of the Budget and the Congress will be apprised of the condition of the fund as statements of current assets and current liabilities and of reimbursements and expenditures as of the close of the last completed fiscal year will be included in the annual budget.

SUPPLEMENTAL FUNDS

Project	: Obligated, : 1942	: Estimated : Obligations, : 1943
<u>Direct Allotments</u>	:	:
<u>Emergency Relief Act (Transfer from WPA):</u>	:	:
Continuation of existing projects	: \$6,976	:
Planning and review of WPA projects	: 1,279	: \$2,548
Total, Emergency Relief Act	: 8,255	: 2,548
<u>Working Fund, Agriculture (Transfer from War Department):</u>	:	:
For coordination and supervision of strategic area map production:	:	:
Transfer from Engineer Service	: 697	: 14,803
Transfer from Air Corps	: - -	: 2,510
Total, Working Fund	: 697	: 17,313
Total Direct Allotment	: 8,952	: 19,861
<u>Indirect Allotments</u>	:	:
Civilian Conservation Corps (Act of June 28, 1937 and supplemental Acts; indirect allotment, through War Department)	: 36,814	:

OFFICE OF SOLICITOR

Appropriation Act, 1943.....	\$210,000
Transfers, 1943, from other appropriations.....	+1,882,451
Transfers, 1943, to other appropriations.....	-18,800
Total available, 1943.....	<u>2,073,651</u>
Budget Estimate, 1944:	
Direct Appropriation.....	1,804,105 *
Transfers to be available in 1944	
from other appropriations.....	123,250 **
Total available, Budget Estimate, 1944	<u>1,927,355</u>
Net decrease in total available funds	
(including decrease of \$5,055 travel funds returned to surplus).....	<u>-146,296</u>

* The Budget Estimate of \$1,804,105 in the direct appropriation for 1944 consists of the 1943 direct appropriation of \$210,000, less \$5,055 travel funds returned to surplus, less \$18,800 to be appropriated under "Salaries and expenses, Library," plus \$1,617,960 (a reduction of \$167,273 below 1943) in funds formerly transferred or allotted, as follows:

Appropriated funds from which transfers were made in 1943, and in which reductions are provided in 1944, in amounts equal to the funds merged with "Salaries and expenses, Office of Solicitor"	:	Transferred 1943	:	Amount to be merged with appropriation, 1944	:	Increase or decrease, amount to be merged in 1944 compared with transfers 1943
Soil Conservation Service, soil and moisture conservation and land-use operations, demonstrations, and information (including \$730 incident to merger of travel funds).....	:	\$26,228	:	\$26,228	:	--
Exportation and domestic consumption of agricultural commodities.....	:	198,885	:	142,000	:	-\$56,885
Conservation and use of agricultural land resources.....	:	121,628	:	120,000	:	-1,628
Regional Research Laboratories.....	:	2,800	:	5,420	:	+2,620
Parity payments.....	:	24,048	:	24,048	:	--
Administration of Sugar Act.....	:	36,768	:	36,768	:	--
Administration of Federal Crop Insurance Act.....	:	56,170	:	56,170	:	--
Acquisition of lands for protection of watersheds of navigable streams.....	:	50,000	:	40,000	:	-10,000
Land utilization and retirement of sub-marginal land.....	:	75,000	:	45,000	:	-30,000
Administrative expenses, Farm tenancy...	:	120,000	:	100,000	:	-20,000
Liquidation and management of resettlement projects.....	:	56,250	:	56,250	:	--
Loans, grants, and rural rehabilitation.	:	280,380	:	250,000	:	-30,380

Appropriated funds from which transfers were made in 1943, and in which reductions are provided in 1944, in amounts equal to the funds merged with "Salaries and expenses, Office of Solicitor" (continued)	Transferred 1943	Amount to be merged with appropriation, 1944	Increase or decrease, amount to be merged in 1944 compared with transfers 1943
Salaries and expenses, Rural Electrification.....	373,585	373,585	---
Salaries and expenses, Forest Service, national forest protection and management (including \$1,300 incident to merger of travel funds).....	17,643	17,643	---
Marketing Service, Agricultural Marketing Administration, Packers and Stockyards Act (incident to merger of travel funds).....	1,500	1,500	---
Marketing Service, Agricultural Marketing Administration, Perishable Agricultural Commodities, Produce Agency, and Standard Container Act (incident to merger of travel funds).....	2,500	2,500	---
Salaries and expenses, Farm Credit Administration.....	245,621	228,121	-17,500
Farmers' crop production and harvesting loans.....	96,227	92,727	-3,500
Total ..	1,795,233	1,617,960	-167,273

** Transfers totaling \$123,250 (a net increase of \$26,032 above 1943 due to expansion of Commodity Credit Corporation and emergency rubber programs) will continue to be made in 1944 from authorizations, "no year funds" etc., as follows:

Appropriations from which transfers will continue to be made in 1944	1943	1944	Increase or decrease
Emergency Rubber Project.....	12,000	33,050	+21,050
Flood Control, General.....	9,095	---	-9,095
Administrative expenses, Commodity Credit Corporation.....	38,755	75,000	+36,245
Water conservation and utilization projects.....	28,548	12,500	-16,048
Special Deposit Account, Federal Surplus Commodities Corporation (Northeastern Timber Salvage Administration).....	8,820	2,700	-6,120
Total.....	97,218	123,250	+26,032

PROJECT STATEMENT

Projects	1942	1943 (estimated)	1944 (estimated)	Increase or decrease
1. General legal service and administration.....	--	292,300	294,920	+2,620 (1)
2. Marketing and regulatory laws.....	---	294,516	273,876	-20,640 (2)
3. Forestry lands and sugar programs.....	--	204,784	171,690	-33,094 (3)
4. Conservation and adjustment programs.....	---	215,970	205,247	-10,723 (4)
5. Rural Electrification programs.....	--	340,162	340,162	--
6. Farm Credit programs.....	--	313,559	292,559	-21,000 (5)
7. Farm Security programs....	--	407,305	348,901	-58,404 (6)
Covered into Treasury in accordance with Public Law 674...	---	5,055	--	-5,055
Unobligated balance	240,727	--	---	--
Total, available funds	2,451,157	2,073,651	1,927,355	-146,296
Continuing transfers from other:				
appropriations.....	-86,394	-97,218	-123,250	
Total estimate 1944 and comparable amounts 1943 and 1942.....	2,364,763	1,976,433	1,804,105	

INCREASES OR DECREASES

The net decrease of \$146,296 in total available funds for this item consists of \$5,055 decrease in travel funds (returned to surplus in 1943) and:

(1) An increase of \$2,620 under the project "General Legal Services and Administration", to provide legal services on a full-year basis on patent work required in connection with the regional research laboratories, involving all legal phases of the inventions which result from the research conducted in the laboratories.

In the fiscal year 1943 the sum of \$2,800 was transferred to the Office of the Solicitor to finance this legal work for the last half of the fiscal year.

(2) A decrease of \$20,640 under the project "Marketing and Regulatory Laws", including:

(a) An increase of \$36,245 in funds transferred from the Commodity Credit Corporation, for legal services performed for that agency:

The Problem: To provide adequate legal service for the Commodity Credit Corporation, the volume and complexity of whose legal work has been greatly increased as a result of the vast expansion of the Corporation's activities.

Significance: It is obviously of great importance that the Corporation's programs, which are closely related to the war effort, be soundly formulated and implemented from a legal point of view. This necessarily involves adequate servicing of such programs by the Solicitor's Office. The operations of Commodity Credit Corporation, a corporation chartered by the State of Delaware, capitalized for \$100,000,000, and authorized to borrow \$2,650,000,000 on the credit of the United States for its operating funds, present among others all the legal problems which normally would be associated with the activities of any large private commercial corporation engaged in the business of making loans, purchasing, processing, storing, marketing, and otherwise handling vast quantities of agricultural commodities and products thereof in practically every state in the United States, and in virtually all foreign countries friendly to the United States with whom trade is possible. The legal problems which must be dealt with include questions relating to security instruments (i.e., mortgages, pledges, deeds of trust, trust receipts, etc.), warehousing, corporate organization and financing, bankruptcy, maritime law, constitutional and international law, the laws of foreign nations, contracts, administration, criminal law, statutory construction, and civil and criminal procedure. Because Commodity Credit Corporation, as a governmental corporation, occupies an intermediate position between a private corporation and an executive department of the Federal Government, its operations present many extremely difficult problems involving the immunity of the Corporation from state regulation and the right of the Corporation to assert the sovereign immunities of the United States, as well as many of the legal problems common to all governmental agencies.

Plan and progress of the work: Necessary legal services for the Corporation include the rendition of formal legal opinions upon questions submitted by officials of the Corporation; the giving of oral and informal written advice from day to day to officials of the Corporation; the preparation or review for legal sufficiency of contracts, regulations, security documents, instructions, forms, and other instruments implementing the programs of the Corporation or otherwise required in the conduct of its business; passing upon the legal propriety of proposed policies or actions submitted for the formal approval of the Secretary of Agriculture or other officials of the Department; the handling or review of correspondence with persons outside the Department raising legal questions; the submission to the Department of Justice of matters requiring court action on behalf of the Corporation or indicating violations of the United States Criminal Code and the collaboration with that Department in the prosecution or defense of such actions.

At the time of Commodity Credit Corporation's transfer to the Department on July 1, 1939, and for sometime thereafter, the Corporation was engaged solely in making loans with respect to approximately 15 domestic commodities. The recent vast expansion in the Corporation's activities is indicated by the fact that as of October 1, 1942, the Corporation has undertaken and is administering more than 60 programs. These programs vary in type from the customary producer loan program to programs involving the purchase and processing of domestic and foreign agricultural commodities and the distribution of their products.

The Corporation was, by recent legislation (Public Law 729, approved October 2, 1942, to amend the Emergency Price Control Act, 1942), directed to make loans available on basic commodities produced while the United States is at war and for a period of two years thereafter. By the same recent legislation, the Secretary of Agriculture was directed, for the duration of the war and for two years thereafter, to continue supporting the prices of non-basic commodities under the so-called Steagall amendment (Public 147, approved July 1, 1941), by loan purchase and other operations.

Commodity Credit Corporation will finance the major part of the programs under this mandate to the Secretary. By Directive No. 2 of the Board of Economic Warfare, the Corporation has been designated as the principal purchasing agency for upwards of 100 commodities which are produced in foreign countries. On the basis of existing legislation and the apparent demands upon the Corporation for the exercise of its general powers in furtherance of the war effort, it seems likely not only that there will be no abatement of the Corporation's activities, but rather that there will be a continued expansion and a consequent greater need for legal services.

The character and extent of the legal services required in connection with a single Commodity Credit Corporation program may be illustrated by reference to its 1942 price support, processing, and distribution program for domestic oil seeds and products thereof. In connection with that program, which involves the entire domestic vegetable oil seed processing and vegetable oil refining industry, the Solicitor's Office has engaged in the following activities: Participation in numerous conferences with officials of the Corporation, of the War Production Board, and the Office of Price Administration, and with representatives of the processing and refining industries prior to and during the formulation of the program. Preparation of documents necessary for the delegation to the Corporation of allocation and priority authority with respect to oil seeds and products thereof (7 Fed. Reg. 6518) and the preparation of allocation orders for issuance by the Corporation pursuant to such authority (7 Fed. Reg. 7133, 7767). Preparation of eight contract forms implementing the program for execution variously by processors of cottonseed, soybeans, peanuts, and flaxseed, and by refiners of oils derived therefrom, containing comprehensive provisions for price support to producers; processing and marketing of vegetable oils and meals; and purchases of and loans on oil seeds, oils and meals. Preparation of documents to be used in connection with such contracts, including chattel mortgages, notes, loan agreements, warehouse agreements, warehouse receipts, bonds and instructions. Preparation, jointly with representatives of the War Production Board, of documents involved in securing clearance of the program from anti-trust laws (7 Fed. Reg. 8004).

(b) A decrease of \$56,885 due to the discontinuance of the Stamp Plan Program of the Agricultural Marketing Administration, causing a decrease in the legal services required by that Administration.

(3) A decrease of \$33,094 under the project "Forestry Lands and Sugar Programs" including:

(a) A decrease of \$10,000 due to the curtailment of the program of acquisition of lands for the protection of watersheds of navigable streams by the Forest Service, thereby causing a reduction in this legal work, which will be met by a curtailment of personnel and other expenses.

(b) A decrease of \$30,000 due to the elimination during the war of land acquisition work under the land utilization and retirement of submarginal lands program administered by the Agricultural Conservation and Adjustment Administration. This necessitates a reduction of the personnel engaged in handling the legal work arising under this program.

(c) A decrease of \$8,024 in connection with water conservation and utilization projects (acquisition of lands), administered by the Farm Security Administration, due to curtailment of those programs, resulting in a reduction in legal personnel and other expenses.

(d) A decrease of \$6,120 for legal services in connection with the Northeastern Timber Salvage Administration, due to curtailment of this program, requiring a reduction in personnel engaged in this work.

(e) An increase of \$21,050 for legal work relating to the emergency rubber project administered by the Forest Service.

The Budget provides for an increased Emergency Rubber Program, involving an increase in guavule acreage from 32,000 in 1943 to 175,000 in 1944, causing a material increase in the legal work to be performed. In addition to the legal assistance of a general nature furnished to the director of the Emergency Rubber Project, and the legal work in connection with the leasing of land for planting, a large amount of legal work will be required in connection with condemnation proceedings, since the Government now has the right of eminent domain in acquiring lands for these planting projects.

(4) A decrease of \$10,723 under the project "Conservation and Adjustment Programs" involving:

(a) A decrease of \$1,628 for legal services in connection with the conservation and use of agricultural land resources.

(b) A decrease of \$9,095 due to the elimination of flood control preliminary examinations and surveys at this time.

(5) A decrease of \$21,000 under the project "Farm Credit Programs," due to a decrease in personnel required to accomplish the work-load.

(6) A decrease of \$58,404 under the project "Farm Security Programs" as follows:

(a) A decrease of \$20,000 for legal work in connection with the farm tenancy programs administered by the Farm Security Administration due to curtailment of that program.

(b) A decrease of \$30,380 due to the reduction in the Loans, Grants and Rural Rehabilitation programs, including water facilities in arid and semi-arid areas, administered by the Farm Security Administration necessitating a reduction in personnel, travel and other expenses in the performance of the legal work in connection therewith.

(c) A decrease of \$8,024 due to curtailment of the Water Conservation and Utilization projects, other than land acquisition, which will allow the Office of the Solicitor to perform the legal work in connection therewith on a reduced scale.

CHANGE IN LANGUAGE

The estimates include a proposed change in the language of this item by deleting the words "(the total amount set up in the Budget schedules for such purpose under this appropriation)" and substituting therefor the amount of "\$870,000".

This deletion in language is for the purpose of substituting a specific amount to be expended for personal services in the District of Columbia, rather than by reference to the limitation as set up in the Budget schedules under this appropriation.

WORK UNDER THIS APPROPRIATION

Objective: The Office of the Solicitor is charged with the performance of the legal work of the Department. In brief, its duties consist of advising the Secretary and other administrative officials on legal problems in connection with all phases of their duties, pursuant to and in compliance with a statute providing that "the legal work of the Department of Agriculture shall be performed under the supervision and direction of the Solicitor" (5 U. S. C. 518).

Significance: The Department of Agriculture has been made responsible by the Congress for the administration and enforcement of many major statutes, including numerous regulatory laws. Many and varied legal problems arise in the conduct of the activities of the Department, and these problems make it necessary that the administrative officers of the Department have legal advice and assistance. The proper disposition of these various matters requires the consideration and application of practically all branches of the law.

General Plan: In accordance with the Secretary of Agriculture's Memorandum No. 980, dated December 18, 1941, which reorganized the entire Department of Agriculture to increase its contribution toward winning the war, the Solicitor reorganized all legal work and the internal administration of the Office. Although the reorganization of the Office of the Solicitor was not officially completed until July 20, 1942, the major part of it was accomplished in the latter quarter of the fiscal year 1942. Pursuant to the provision of the 1942 Appropriation Act, the functions of the Office of the Solicitor had been augmented by transfer on July 1, 1941, of the legal work of the Farm Credit Administration and the Rural Electrification Administration, together with personnel performing such work.

The Solicitor and the attorneys of his office advise the Secretary and all other administrative officials on legal problems arising in connection with the activities of the Department. They assist in the preparation of proposed legislative bills, administrative rules and regulations, orders, and proclamations. They provide the Secretary and other officials of the Department with legal opinions relative to the application of statutes, executive orders, and administrative rules and regulations.

The Solicitor's Office also takes part in drafting, examining, and construing contracts, deeds, mortgages, leases, and other legal documents. It approves the organization of cooperative associations, soil conservation districts, and similar instrumentalities, and assists in determining their eligibility for participation in Department programs.

Other activities of the Office include the examination of evidence to determine whether there have been violations of acts administered by the Department. In proper cases, the Solicitor recommends prosecution to the Attorney General. Pleadings and briefs in civil and criminal cases involving the Department and laws administered by it are prepared by the Office, which cooperates with the Department of Justice in handling such litigation in the lower and appellate courts.

The Solicitor's Office represents the Department as counsel at hearings before the Secretary. The Office handles contacts on legal matters with other State and Federal governmental agencies. It conducts administrative hearings in reparation and similar proceedings, and issues tentative findings, conclusions, and orders with respect thereto, under the various acts administered by the Department.

The Office of the Solicitor also prosecutes, for employees of the Department, applications for patents on inventions which are to be used in departmental work. It examines the titles to lands authorized for purchase by the Department or on which loans may be made by the Department. The Office considers and recommends the appropriate disposition of claims for damage to property of the United States in the custody of the Department and of claims against the Government for damage arising from operations of the Department.

After the Declaration of War, the legal work in connection with the war effort materially increased. In addition to the usual legal and practical considerations, it is now necessary to approach each case with the expedition of the war effort as a definite objective.

PRESENT ORGANIZATION AND CURRENT PROGRAMS

Functional projects are shown for the first time in the Budget for this office. A brief description of each is given below:

1. General Legal Services and Administration.

The General Legal Services and Administration project of the Office of the Solicitor is composed of the Solicitor and his immediate staff, the General Legal Services Divisions and the Administrative Division. The Solicitor supervises and directs the performance of all legal work of the Department, both in the Departmental and the field service. His immediate staff supervises litigation work in the Office and relations with the Department of Justice with respect thereto, and assists the Solicitor in handling matters requiring his personal attention, or which require special assignment.

The General Legal Services Divisions perform general legal work related to personnel, fiscal, contract, claim, patent, bankruptcy, or administrative law, and legal work not otherwise specifically assigned. During the fiscal year 1942 these two Divisions handled 160 fiscal irregularity cases, reviewed 708 memoranda and documents for legal questions involved, prepared 130 formal opinions, reviewed 588 claims against and in favor of the Government, handled approximately 185 patent cases, trademark applications and patent interference cases, 1603 contracts, leases and cooperative agreements, and 1566 employee and contract bonds. In addition, a great many informal or oral opinions were rendered, and considerable time was spent on contracts for aerial photography, construction and equipment, and other matters in connection with the war effort.

The Administrative Division performs all general business and administrative operations of the Office, including the handling of matters relating to personnel, budget, audit, accounts, property, mails, files, travel, and procurement.

2. Marketing and Regulatory Laws.

This project performs legal work incident to the marketing of agricultural commodities under the several programs of the Department providing for commodity purchases, loans, and distribution, and legal work arising under all regulatory laws, except those administered by the Agricultural Conservation and Adjustment Administration.

Included is legal work incident to Commodity Credit Corporation programs, Food and Fiber Stamp programs, the Lend-Lease Act, the National Defense Emergency Appropriation Act, Transportation of Farm Products, fees or limitations on certain imports, the U. S. Warehouse Act, the Agricultural Marketing Agreement Act of 1937 providing for marketing agreements and orders, the Packers and Stockyards Act, the Perishable Agricultural Commodities Act, the Commodity Exchange Act, the U. S. Grain Standards Act, the Federal Seed Act, the Meat Inspection Act, the Insecticide Act, the Naval Stores Act, the Virus-Serum-Toxin Control Act, the Plant Quarantine Act, the Anti-Hog Cholera Serum and Hog-Cholera Virus Marketing Agreement Act, the Animal Quarantine Act, and twenty additional Acts pertaining to marketing and regulation, in addition to other regulatory programs of the Agricultural Research Administration and the Agricultural Marketing Administration.

Examples of work performed during fiscal year 1942 are as follows:

(a) Food and Fiber Stamp Plan Programs.

Notices of Hearings were prepared and attorneys acted as Examiners in 1571 cases, 5747 Citations to Show Cause were drafted, 4827 Final Orders were prepared, 602 Orders for reinstatement of retailers were prepared, and 133 cases were referred to the Department of Justice for criminal prosecution. In the prosecution of these cases, attorneys of the Office of the Solicitor assisted the United States Attorneys. Attorneys of the Office of the Solicitor also assisted in the trial of a large number of prosecutions in various State and municipal courts.

(b) Transportation Programs.

Participation of attorneys of the Solicitor's Office was required in numerous matters pursuant to Section 201 of the Agricultural Adjustment Act of 1938, as amended, under which the Secretary is authorized to participate in proceedings before the Interstate Commerce Commission and in the courts involving rates, charges, and tariffs on, and practices with respect to, the transportation of farm products. The Office was represented on several committees within the Department and on Inter-Departmental committees involving war-time transportation problems. In addition to the preparation and filing of petitions, answers, and other pleadings, participation in these proceedings involved the presentation of evidence, examination and cross-examination of witnesses at hearings before trial examiners and Commissioners, preparation and filing of briefs and exceptions, and the presentation of oral arguments before the Commission and the courts.

(c) Commodity Credit Programs.

The legal work incident to the Commodity Credit programs continued the steady increase in volume which has marked it since the Corporation was transferred to the Department of Agriculture in 1939.

A detailed statement of various phases of this work is discussed under "increases and decreases", above. The legal problems presented during the year included questions of insurance, indemnity and guaranty, taxation, constitutional law, corporate financing, fraud, theft, conversion, presentation of collateral, foreclosures of chattel mortgages, trusts, treaties, and corresponding questions.

(d) Regulatory Laws.

Forty-nine milk, and food and vegetable programs were in effect, 46 promulgation and amendment hearings were held for milk orders and fruit and vegetable agreements and orders, 43 petitions were filed in milk, and fruit and vegetable cases, 175 regulatory orders were prepared under fruit and vegetable agreements and orders, 314 proceedings were filed under the Packers and Stockyards Act and Perishable Agricultural Commodities Act, 650 litigation cases were prepared and transmitted to the Department of Justice, and 437 violations of the Twenty-Eight Hour Law were handled.

3. Forestry, Lands and Sugar Programs.

Under this project legal work is performed relating to the activities of the Forest Service, the Sugar program and the securing of title to lands acquired by the Department.

Included is legal work incident to Title III of the Bankhead-Jones Farm Tenant Act; National Forest laws relating to the establishment and administration of the national forest system; the Weeks Forestry Law, providing for joint Federal and State protection of the watersheds of navigable streams; the Clarke-McNary Act, providing for programs to insure adequate supplies of timber and other forest products, research in reforestation, and related subjects; the Sugar Act of 1937; and the Guayule Emergency Rubber project.

During the fiscal year 1942, 37 formal opinions were prepared in addition to 1164 general letters and memos to the Forest Service, Soil Conservation Service and Sugar Agency, 2104 land acquisition title cases were handled, involving 700,000 acres valued at $3\frac{1}{2}$ million dollars, and 364 court condemnation proceedings were handled involving 88,000 acres valued at \$319,000.

Considerable land formerly under the jurisdiction of the Forest Service and the Soil Conservation Service was made available to the War Department for bombing and gunnery ranges, landing fields, and recreational purposes, and under the Federal Housing program, land was acquired for housing projects.

Legal assistance was given the Minerals Policy Committee in connection with leasing part interests in oil and gas owned by the United States to permit the United States to extract helium not only from gas obtained by the lessee under his lease with the United States, but also from gas obtained by the lessee under other leases of undivided interests in the same land. The acquisition of land for the purpose of planting guayule and other rubber-bearing plants was handled.

The Sugar Agency has been requested to review applications for preference rating certificates and certificates of necessity in connection with the expansion of plants producing continental beet, cane, and corn sugar, maple syrup, sorghum molasses, and blackstrap molasses as a by-product of sugar. Assistance was given the Agency in connection with the priorities system and the program in general.

4. Conservation and Adjustment Programs.

Under this project is performed legal work relating to the conservation and adjustment programs of the Department, arising in connection with the Soil Conservation and Domestic Allotment Act; the Agricultural Adjustment Act of 1938; the Tobacco Compact Act, providing for control of production of certain kinds of tobacco; the Flood Control Act; the land-use planning programs of the Bureau of Agricultural Economics; the activities of the Office of Land-Use Coordination as they relate to this project; the Federal Crop Insurance Act; and the Northeastern Timber Salvage Program. In connection with the war effort, legal work in connection with the rationing of farm machinery and other agricultural items is being handled under this Project.

During the fiscal year 1942, 192 formal opinions were rendered, 622 dockets were approved, and 46 amendments pertaining to legislation were drafted. Examples of the work performed are as follows:

(a) Agricultural Conservation and Related Programs.

The war and the furnishing of huge supplies of agricultural products to the Allies required far-reaching changes in the agricultural conservation (combined with the range conservation) and naval stores conservation programs. The programs, to meet the largest agricultural production goals in our history, presented many intricate and complex legal problems, in addition to the continuous and heavy flow of legal work involved in their administration, affecting 6,000,000 farms in the continental United States, Alaska, Hawaii, and Puerto Rico, handled locally through more than 3,000 county committees of farmers with their numerous community committees. The terms and conditions of these programs must vary from state to state, and oftentimes from county to county, to be most effective, requiring a great amount of legal work in the preparation and approval of necessary forms and procedures.

The expansion of the phase involving the furnishing of conservation materials and services as grants of aid has, as in the past, raised numerous questions with respect to the application of state policies and tax statutes. Through the efforts of this office and the Department of Justice, attempts to apply

State restrictive statutes to these Federal activities have largely been abandoned or reasonably curtailed.

The application of the \$10,000 limitation provisions of Section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended, has required considerable attention. Litigation involving conservation and parity payment programs was more or less equally divided between civil and criminal actions, and, for the most part, such litigation relates to actions instituted by the Government. In several instances, however, producers instituted actions against the Government in which they sought to recover conservation payments.

(b) Agricultural Adjustment Act of 1938.

The preparation of procedures and regulations in connection with programs under this Act necessitated considerable legal research and drafting, in addition to assisting administrative officials, to the end that the administrative procedures and legal remedies applicable to the separate commodities could, as nearly as possible, be uniformly applied to all commodities. Assistance was given to the preparation of regulations and forms pertaining to the refund of marketing quota penalties erroneously collected. Numerous claims for refund of tobacco and cotton marketing penalties were considered, and several thousand bonds to secure payment of penalties on wheat were examined.

In addition to considerable litigation in connection with tobacco and cotton marketing quotas, this office, for the first year, was involved also in a great amount of litigation in connection with wheat marketing quotas. A large number of cases involving criminal activities by producers and others were also referred to the Department of Justice. The cases with respect to wheat marketing quotas were, without exception, instituted by producers against the appropriate county and state agricultural conservation committees, and in some of these cases the Secretary of Agriculture was named as a defendant. In all, 36 cases involving wheat marketing quotas were instituted during the fiscal year.

(c) Federal Crop Insurance Act.

The work of the Federal Crop Insurance Corporation was expanded to include cotton as well as wheat crop insurance, requiring the preparation of regulations, forms, procedures, and contracts relating to cotton crop insurance. The application of State laws to crop insurance programs are of particular concern in the formative stages of a program. Consequently, much work was necessary in connection with the cotton crop insurance program instituted in the 19 cotton-producing States.

In addition, this Office has furnished assistance in the preparation of regulations, procedures and contracts pertaining to wheat crop insurance, problems relating to insurance contracts, indemnity payments, and the purchase, storage and sale of commodities to be used by the Corporation for the payment of indemnities.

Amendments to the uniform grain storage agreement involved a conflict with the general maximum price regulations as issued by the Office of Price Administration.

Conferences and discussions were had leading to the exemption of the services performed for the United States and its agencies in connection with the storage of grain, and negotiations were instituted with respect to similar exemptions relative to the rates and charges under the warehouse agreements for the storage of cotton.

5. Rural Electrification Programs.

Under this project is performed legal work relating to the programs of the Rural Electrification Administration, as follows:

- a. The processing of loans for the construction and operation of generating plants, electric transmission and distribution lines or systems in rural areas, and for the wiring of premises in rural areas and the acquisition and installation of electrical and plumbing appliances and equipment.
- b. The preparation of loan agreements, notes, bonds, pledges of revenues, trust indentures and mortgages; ordinances and municipal bond resolutions; documents relating to reorganizations and consolidations of borrowers, acquisitions and conveyances of property, refunding of loans and releases of liens; and miscellaneous other documents incident to long-term financing by corporations and public bodies.
- c. The construction by REA borrowers of electrical facilities, the preparation or review of contracts for construction, engineering, wholesale energy, purchase of materials, etc.; the preparation of awards on bids, settlements of disputes, claims under surety performance bonds, etc.
- d. Rights-of-way for electric lines, including easements, permits, and franchises. Title to lands or structures purchased by borrowers and financed by the REA.
- e. Insurance matters of REA borrowers and their contractors arising in construction of facilities.
- f. The operation of electric facilities financed by the REA and constituting security for the Government loans; insurance matters; tax problems of borrowers; the application to borrowers of labor laws, both Federal and State; and corporate action by borrowers affecting the security of the Government loans.
- g. Litigation, including proceedings before Public Service Commissions, Tax Commissions and courts, both at trial and on appeal.

- h. Legal research and legal opinions with respect to all aspects of the programs, and the directing, supervising, or reviewing of the work of attorneys representing REA borrowers.

Examples of work handled during fiscal year 1942 are as follows:

(a) Loan and Security Work.

Over 750 loans to cooperatives, public bodies and private utilities aggregating approximately \$90,000,000 were handled, requiring the preparation of approximately 1400 loan and security instruments. Special financing procedures were designed to expedite corporate financing without prejudice to the security for the Government loans. Further refinements were made in order to dispatch loans made to construct facilities to serve Army camps, defense bases, mines, and rural war industries. Assistance was given REA in the formulation of acquisition procedures and valuation standards and in the negotiation of acquisition transactions, many involving complicated admixtures of both legal and policy problems.

(b) State Regulation of Cooperatives.

Seven States now regulate REA cooperatives as public utilities. With respect to loans in these States, as well as in three other States where limited commission jurisdiction is exercised, assistance was given in the preparation of applications for permission to construct electric facilities or borrow REA funds, or both, and preparation of evidence for hearings thereon, and the proceedings and orders of the commissions are reviewed preliminary to giving legal clearance to the advance of funds to borrowers. In New York, the conduct of hearings upon applications by the six New York REA cooperatives was actively participated in because of opposition of private utilities to such applications which were the first of their kind in that State.

(c) Cooperative Organization.

In addition to 36 new distribution cooperatives and one new refrigeration cooperative, 19 incorporations and organizations of generating, transmission and power reserve cooperatives having as members distribution cooperatives were handled during the year.

(d) Right-of-Way and Title Work.

Supervising the securing of a continuous right-of-way for construction of more than 41,000 miles of electric systems required the handling of a great volume of legal questions growing out of approximately 175,000 easements, 2500 State, County, Township and other municipal franchises and permits, 40 river crossing permits, 500 power crossing agreements, 850 telephone moving and 2225 railroad crossing agreements, 150 permits for crossing Indian and other lands administered by the Government, 230 releases from telephone companies with respect to electrical interference, 275 joint use of pole agreements, and approximately 400 right-of-way certifications and 400 opinions of counsel submitted.

(e) Construction and Operation of Cooperative Electric Systems.

The corporate proceedings of some 800 cooperative borrowers were reviewed and supervised. Consultations were had constantly with counsel for REA cooperatives concerning legal questions of corporate procedure and practice. Review, revision or drafting has been made of over 5400 contracts and other documents relating to construction and operation of REA systems. 538 contracts covering service to military and naval establishments were negotiated and drafted. The need for speed and the state of the material market necessitated use of cost-plus-fixed fee construction contracts instead of the usual lump sum contracts. In such cases, new measures of control were devised, and new public liability insurance arrangements were made.

The war effort created new problems in the removal or relocation of lines or property operated in areas acquired for Army camps or other military installations. Procedures were designed to eliminate eminent domain proceedings and speed the removals. 629 cases of removal and relocation were handled.

(f) Tax Developments.

The use of earning power in the determination of the value of single purpose properties, such as those of REA cooperatives, rather than application of ad valorem taxation, has been proposed before taxation commissions and assessing officials of 13 States. Assistance has been given REA cooperatives in preparation of tax returns, presentation of claims, and other tax problems.

(g) Other Litigation Affecting Cooperatives.

At the close of the fiscal year over 100 litigation proceedings, exclusive of condemnation suits, tax and public proceedings, were being handled. In addition, a great number of unlitigated controversies, such as disputes between cooperatives and contractors, engineers, material suppliers, etc., were settled out of court. Assistance was given cooperatives on claims on performance bonds and claims for trespass and property damage during the course of construction. Personal injury, death and property damage claims against cooperatives arising out of operations were handled. The Fair Labor Standards Act of 1938 has presented many problems, as has litigation caused by telephon interference. Territorial disputes between cooperatives and public utilities have caused litigation in four States.

(h) War Regulations.

The applicability of war regulations to REA cooperatives' construction and operations has presented new problems, including applicability of WPB Preference Rating Order P-46 to work orders, line relocations, rehabilitation of acquired facilities, service to war establishments and industries, construction of office buildings and transfers of equipment between REA cooperatives.

6. Farm Credit Programs

Under this project is performed legal work relating to the programs of the Farm Credit Administration, as follows:

- a. The Federal Farm Loan Act, providing for the establishment of the Federal land banks, national farm loan associations, and joint stock land banks; the Emergency Farm Mortgage Act, authorizing the Land Bank Commissioner to make loans to farmers on first or second mortgages on real or personal property, including crops; and the Federal Farm Mortgage Corporation Act, creating the Federal Farm Mortgage Corporation to aid in financing the lending operations of the Land Bank Commissioner and the Federal land banks.
- b. The Agricultural Credits Act, as amended (12 U.S.C. 1940 ed. 1021-1129), authorizing the creation of the Federal intermediate credit banks; the Agricultural Marketing Act, authorizing the establishment of a revolving fund of \$500,000,000 for use in making loans to cooperative associations; the Emergency Relief and Construction Act, authorizing and establishing regional agricultural credit corporations to make direct loans to farmers and stockmen; the Farm Credit Act of 1933, authorizing the Farm Credit Administration to organize and charter production credit corporations and production credit associations, and authorizing the creation of banks for cooperatives; and the Act of January 29, 1937, authorizing the Farm Credit Administration to make loans for planting, cultivation, and harvesting of crops, and for feed for livestock.
- c. Supervision by the Farm Credit Administration of intermediate credit banks, banks for cooperatives, production credit corporations and associations, the regional agricultural credit corporations of Washington, D. C., Federal Land Banks, national farm loan associations, joint stock land banks, and farm loan registrars.

Examples of work handled during fiscal year 1942 are as follows:

(a) Preparation of legal memoranda and opinions relating to interpretation of the Federal laws and regulations under which the various programs are administered, the issuance and retirement of capital stock, the purchase, pledge and sale of government bonds, and the state laws relating to negotiable instruments, mortgages, pledges, contracts, etc., incidental to nationwide lending or credit service programs; drafting of proposed Federal and state legislation, suggested forms of charters, bylaws, amendments thereto, etc., for the various corporations; proposed forms of notes, mortgages, loan and collateral agreements, for the various lending agencies; review of legal opinions and legal instruments prepared by the general counsel of the Farm Credit districts; preparation and review of briefs relative to legal actions affecting the several agencies; review of reports of examinations of the units to determine whether matters are involved requiring legal action, and advising the Chief Examiner on legal problems incident to the examinations.

(b) Furnishing legal services in connection with the cooperative marketing acts of the various states, the Federal laws, such as the Capper-Volstead Act, as they apply to cooperative associations, and legal phases of the organization and operation of farmers' cooperative associations.

(c) Responsibility for advising administrative officials and Farm Credit units as to their authority under existing laws and regulations, the scope of their corporate powers, and as to procedures which legally might be followed in order to accomplish desired purposes, including advice as to the legal rights involved therein, since, in furtherance of war production it has been necessary to extend agricultural credit in a greater volume and in broader fields than heretofore.

(d) Responsibility for speedy handling of legal phases of acquisitions, especially in the conduct of condemnation proceedings and title examinations, the preparation of abstracts of title and title instruments, and arrangement for appraisals and inspection reports in connection with acquisition by the War Department of large tracts of land under the jurisdiction of Farm Credit Administration agencies in many parts of the United States for use as sites for training camps, bombing practice ranges, and similar military purposes.

(e) Developing procedure within the powers of the banks, the cooperative associations, etc., drafting appropriate credit instruments and forms of deeds, leases, and operating agreements, etc., in connection with production of man commodities necessary in the war.

(f) Developing of legal procedures for making lands owned by the Federal land banks, or lands on which the banks hold mortgages, available for defense housing projects.

7. Farm Security Programs

Under this project is performed legal work relating to the programs of the Farm Security Administration, as follows:

- a. Loans, grants, and rehabilitation for needy persons; and the administration of the assets and property of the rural rehabilitation corporations.
- b. The farm debt adjustment program; the organization, financing, and management of land leasing associations; the tenure improvement program; the program of assisting in the evacuation of certain persons from designated military zones; and the farm labor programs, except for the provision of housing facilities.
- c. Cooperative associations and community and cooperative services; homestead and cooperative associations on resettlement community projects and rural rehabilitation projects for resettlement purposes; rural rehabilitation cooperative associations; and loans to individuals to maintain or participate in such rural rehabilitation cooperative associations.
- d. Medical and environmental sanitation programs and the insurance of lives and property of borrowers and the property of the Government on resettlement projects and property of cooperative associations.

e. Title I of the Bankhead-Jones Farm Tenant Act; the sale or lease of lands acquired pursuant to Executive Order No. 7530, and the making of loans for necessary improvements thereon; projects for the provision of additional water facilities, farm labor supply centers, resettlement community projects, and rural rehabilitation projects for resettlement purposes; the water conservation and utilization program undertaken in cooperation with the Department of the Interior under the Department of Interior Appropriation Act, 1940 and the Wheeler-Case Act.

f. Loans pursuant to the provisions of the Wheeler-O'Connor Act; the Virgin Islands projects transferred to the Department of Agriculture by the Act of December 23, 1941; and loans from the Reconstruction Finance Corporation to the Department of Agriculture for farm tenancy loans and rural rehabilitation loans.

Examples of work handled during fiscal year 1942 are as follows:

(a) Rural Rehabilitation Program

Under both the loans to individuals and loans to cooperatives phases of the rehabilitation program, while the new loan work is directly related to the amount of money available for new loans, most of the work is concerned with the administration of old loans rather than the making of new loans. Since loans are typically made for periods of more than one year, the tendency is for the administration of old loans to increase. With increasing farm income, many loans which were not previously worthy of legal efforts at collection have now become partially collectible, thereby increasing the legal work. Under this program, 9750 forms of security instruments, 15,000 legal memoranda, and 3,000 general forms were prepared, revised, or examined. 450 sets of corporate minutes were examined and 400 assignments and miscellaneous instruments were revised. 700 repossessions and foreclosures were handled, and 1200 liquidation cases examined. Assistance was given the Department of Justice in 719 collection cases.

(b) Farm Tenant Program

The phase of the program involving the administration of old loans is constantly on the increase due to the fact that these are 40-year loans. The stimulation which wartime conditions has given to petroleum and lumber production has resulted in the necessity for the preparation of thousands of partial releases from mortgages and of oil and gas leases and lumber sale contracts. There is also a constant increase in the number of cases in which the office must approve documents involved in transferring a farm from one owner to another. During the year, 452 transfers of farms were handled, 2345 releases, consents and subordination agreements were drafted or examined, 32,000 general legal memoranda were prepared, 4500 loan dockets were examined, and 11,600 options received, of which 9,500 were approved. 5,600 purchases were closed, 9,000 cases required closing instructions, and 10,000 security instruments were prepared, revised or reviewed.

(c) Water Program

The programs under the Wheeler-Case Act are not volume production programs. However, a tremendous amount of work not capable of analysis in terms of the number of individual transactions has been involved. 77 water contracts, 15 construction and other contracts, and 150 options were prepared, revised or reviewed. 120 legal memoranda were prepared, and 103 loan dockets were examined. 350 security instruments were drafted, revised or reviewed.

(d) Resettlement Program

9 new cooperative associations and 26 new homestead associations were organized. 45 articles of incorporation and 375 sets of bylaws and corporate minutes were drafted or reviewed. 21 budgets and 150 loan dockets were reviewed. 49 suits for recovery of property and occupancy charges were handled, and 177 easements, quitclaims or dedications prepared, revised or reviewed. 2,000 legal memoranda were written, and 2,293 agreements for payment in lieu of taxes prepared, the total of such payments aggregating \$791,317. 1,540 findings of fact were prepared, and 40 cooperative agreements prepared or reviewed.

(e) Labor Program

The Office is currently doing a great volume of work in connection with the development of farm labor programs, involving the transportation of Mexican and domestic workers for agricultural employment. The negotiation of an executive agreement with Mexico, the preparation and negotiation of agreement with workers, including the obtaining of approval by the Mexican Government, the preparation and negotiation of agreements with associations of employers, and wage hearings to establish the wages to be paid workers who are transported, were participated in.

SUPPLEMENTAL FUNDS

(1) Direct Allotments

Project	Obligations 1942	Estimated Obligations 1943	Estimated Obligations 1944
Emergency Fund for the President, National Defense:			
For payment of travel and the special:			
per diem allowance in connection			
with the decentralization of em-			
ployees of the Office of the			
Solicitor from Washington, D.C.,			
to St. Louis, Missouri, Kansas			
City, Missouri, and Cincinnati,			
Ohio	\$14,082	\$6,079	- -
TOTAL, SUPPLEMENTAL FUNDS (Direct allotment)	14,082	6,079	- -

(2) Indirect Allotments

Project	Obligations 1942	Estimated Obligations 1943	Estimated Obligations 1944
Civilian Conservation Corps (Act of June 28, 1937, and supplemental acts; allotment through War Department):			
For legal work in connection with			
the activities of the Civilian			
Conservation Corps in the Depart-			
ment of Agriculture	\$12,160	- -	- -
TOTAL, SUPPLEMENTAL FUNDS (Indirect allotment)	12,160	- -	- -

OFFICE OF INFORMATION

(a) SALARIES AND EXPENSES

Appropriation Act, 1943	\$400,144	
Transfers, 1943, from other appropriations	+173,383	
Transfers, 1943, to other appropriations ...	-15,310	
Total available, 1943	558,217	
Budget estimate, 1944:		
Direct appropriation	488,000	*
Transfers to be available in 1944 from		
other appropriations	+11,179	**
Total available, Budget estimate, 1944 ...	499,179	
Net decrease in total available funds (in-		
cluding decrease of \$3,000 travel		
funds returned to surplus)	-59,038	

* Consists of the following:

Direct appropriation, 1943	\$400,144	
Less reduction below 1943	-39,737	\$360,407
Funds transferred in 1943, proposed for		
direct appropriation in 1944 (see		
statement below)	161,204	
Less reduction below 1943	-15,301	145,903
		506,310
Less:		
Funds proposed for appropriation in 1944		
under "Salaries and expenses, Office of		
Secretary of Agriculture (incident to		
transfer of duplicating and photographic		
services)	15,310	
Travel funds returned to surplus	3,000	-18,310
Direct appropriation, Budget estimate, 1944	488,000	

Appropriations from which transfers were made in 1943, and in which reductions are provided in 1944 in amounts equal to the funds merged with "Salaries and expenses, Office of Information"	Trans- 1943	Amount to be merged with appro- priation, 1944	Increase or decrease, amount to be merged in 1944 compared with transfers 1943
Conservation and use of agricultural land resources	\$61,960:	\$54,609	\$-7,351
Exportation and domestic consumption of agricultural commodities	30,950:	23,000	-7,950
Soil Conservation Service, soil and moisture conservation and land-use operations, demonstrations, and information	8,130:	8,130	- -
Loans, grants and rural rehabilitation	32,110:	32,110	- -
Land utilization and retirement of sub-marginal land	1,800:	1,800	- -
Administration of Sugar Act	3,471:	3,471	- -
Salaries and expenses, Rural Electrification	8,862:	8,862	- -
Administration of Federal Crop Insurance Act	13,921:	13,921	- -
Total	161,204:	145,903	-15,301

** Transfers totaling \$11,179 (a net decrease of \$1,000 below 1943 due to curtailment of flood control activities) will continue to be made in 1944 as follows:

Appropriations from which transfers will continue to be made in 1944	1943	1944	Increase or decrease
Administrative expenses, Commodity Credit Corporation	\$11,179:	\$11,179	- -
Flood control, general	1,000:	- -	-1,000

PROJECT STATEMENT

Project	1942	1943 (estimated)	1944 (estimated)	Increase or decrease
1. General administration of Office of Information and of informational work	\$40,668	\$26,370	\$26,370	- -
2. Business service including mails and files	31,162	32,996	32,996	- -
3. Publications preparation and control	149,128	148,637	138,927	\$-9,710 (
4. Preparation of special reports ..	63,839	40,580	39,580	-1,000 (
5. Preparation and distribution of agricultural information by exhibits	78,534	60,832	40,000	-20,832 (
6. Preparation and distribution of agricultural information by radio ..	33,539	35,040	35,040	- -
7. Preparation and distribution of agricultural information to the press	58,452	52,927	48,336	-4,591 (
8. Field information service	98,473	88,930	87,930	-1,000 (
9. Preparation and distribution of agricultural information by motion pictures	71,835	68,905	50,000	-18,905 (
10. Duplication and photographic services for the Department	60,325	- -	- -	- -
Covered into Treasury in accordance with Public Law 674	- -	3,000	- -	-3,000
Unobligated balance	20,326	- -	- -	- -
Total, available funds	706,281	558,217	499,179	-59,038
Continuing transfers from other appropriations	-13,000	-12,179	-11,179	- -
Total estimate 1944 and comparable amounts 1942 and 1943	693,281	546,038	488,000	- -

INCREASES OR DECREASES

The net decrease of \$59,038 in total available funds for this item consists of \$3,000 decrease in travel funds (returned to surplus in 1943) and:

(1) A decrease of \$9,710 under the project "Publications, preparation and control."

- (a) The reduction of \$9,210 will be effected in this item by curtailing personnel and services in connection with final editing of bibliographies and foreign language citations; indexing; specification writing in connection with the procurement of job printing from commercial sources; and distribution of publications work.
- (b) A \$500 reduction will be made in transporting printed material.

- (2) A decrease of \$1,000 under the project "Preparation of special reports."
- (a) The decrease in 1944 will be realized by replacing a CAF-9 Administrative Assistant with a CAF-6 Principal Clerk in the immediate office of the Assistant Director in charge of this division.
- (3) A decrease of \$20,832 under the project "Preparation and distribution of agricultural information by exhibits."
- (a) The decrease in this project will be made by curtailing illustrations, drafting, clerical, and mechanical services.
- (4) A decrease of \$4,591 under the project "Preparation and distribution of agricultural information to the press."
- (a) Eliminating and curtailing the duplicating of materials distributed to the Press or used administratively in the Department will effect this reduction in funds available to the Press Service.
- (5) A decrease of \$1,000 under the project "Field information service."
- (a) This sum budgeted in 1943 for equipment for the relatively new regional offices will be eliminated.
- (6) A decrease of \$18,905 under the project "Preparation and distribution of agricultural information by motion pictures."
- (a) The reduction in this appropriation item will be effected in this manner: Decrease in equipment expenditures \$1,000; a decrease in contractual services for the production of pictures \$8,000; a decrease in funds available for supplies and materials (primarily films) of \$8,000; and the elimination of appointments for temporary assistance which will effect a decrease of \$1,905.

CHANGE IN LANGUAGE

The estimates include proposed changes in the language of this item as follows (new language underscored, deleted matter enclosed with brackets):

Salaries and Expenses: For necessary expenses in connection with the publication, indexing, illustration, and distribution of bulletins, documents, and reports, the preparation, distribution, and display of agricultural motion and sound pictures, and exhibits, and the coordination of informational work in the Department, [~~\$400,144~~] \$488,000, together with such amounts from other appropriations or authorizations as are provided in the schedules in the Budget for the fiscal year [1943] 1944 for such expenses, which several amounts or portions thereof, as may be determined by the Secretary, not exceeding a total of [~~\$189,691~~] \$11,179, shall be transferred to and made a part of this appropriation, of which total appropriation amounts not exceeding those specified may be used for

the purposes enumerated as follows: For personal services in the District of Columbia, [\$467,291;] \$378,556, for preparation and display of exhibits [including cooperation with other bureaus and offices of the Department and with Federal, State, County, Municipal, and other agencies, and State, interstate, international, and other fairs or events held within the United States, \$60,832; for], \$40,000, and the preparation, distribution, and display of motion and sound pictures, \$50,000, including cooperation with Federal, State, County, Municipal, and other agencies [, \$68,905]: Provided, however, That if the total amounts of the appropriations or authorizations for the fiscal year [1943] 1944 from which transfers to this appropriation are herein authorized shall at any time exceed or fall below the amounts estimated, respectively, therefor in the Budget for [1943] 1944, the amounts transferred or to be transferred therefrom to this appropriation and the amount which may be expended for personal services in the District of Columbia shall be increased or decreased in such amounts as the Director of the Bureau of the Budget, after a hearing thereon with representatives of the Department, shall determine are appropriate to the requirements as changed by such reductions or increases in such appropriations or authorizations: *****[: Provided further, That in the preparation and distribution of duplicated and photographic material for the Department, the appropriation "Salaries and expenses, Office of Information", current at the time such services are rendered or when payment therefor is received, may be reimbursed (by advance credits or reimbursements based on estimated or actual charges) from the applicable appropriations, to cover charges for personal services, materials, equipment (including depreciation, maintenance, and repair) and other necessary expenses].

The first deletion eliminates the explicit authority for cooperation with "other bureaus and offices of the Department and with Federal, State, County Municipal, and other agencies and State, interstate, international and other fairs or events held within the United States." It is deemed unnecessary to specify the above authority at that point in the language since that cooperation is sufficiently authorized in the following language: "including cooperation with Federal, State, County, Municipal, and other agencies," which follows later in the item.

The second deletion eliminates the authority provided the Office of Information to render duplicating and photographic services to the various agencies of the Department on a reimbursable basis. The two services are to be transferred July 1, 1943 from the Office of Information to the Office of the Secretary, which agency has requested the necessary change in appropriation language to authorize and finance the rendering of duplicating and photographic services for the Department, as explained in the justification of the Working Capital Fund.

WORK UNDER THIS APPROPRIATION

Objective: To supervise, correlate and gear the informational work of the Department to its wartime responsibilities. Specifically, to direct the

information program of the Department so as to place the most useful agricultural facts before farmers and others; also to convey the needs of farmers to the Secretary, his staff, technicians and scientists of the Department so that programs may be focused on the most critical agricultural problems; at the present time, of course, on the maximum food production expansion necessary to win the war.

Significance: Every war activity of USDA and some of other Government agencies are served by the Office of Information, the Office serving the Secretary as the staff organization for planning and managing total output of information. With war demand for shifting production among 6 million farming units to war needs, this responsibility is appreciably greater than ever before.

The Office of Information:

Helps Farmers Produce Food for Freedom -- Job of Agriculture requires that Secretary establish goals, maintain price levels that enable farmers to produce, assist them to obtain labor, machinery and materials, provide scientific aids to production. Each step must be explained and requires services of Office of Information.

Helps Farm and City Families Use Food for Better Health -- Good diet and good health require information on how to produce from gardens and farm flocks and herds, how to preserve foods and how to prepare foods and in what combinations for good diet.

Helps Farm and City Families Meet War Shortages in Household Supplies -- Office of Information is Secretary's liaison with information coordinating agencies of Government and makes available to families information on impending shortages, substitutions, and conservation measures.

Helps Scientists and Technicians -- Research needed to solve problems of wartime supply and military uses of farm products speeded by printing, duplicating, indexing, and distribution of scientific reports.

Cooperates with Other War Agencies to Get Information to Farmers and Department Employees on Total War Effort -- As Secretary's liaison for information work involving cooperation with other war agencies, Office of Information helps prepare and distribute information for other agencies.

Helps Keep Department Employees and Farm Leaders Informed on Wartime Job of Agriculture -- Brings together facts and interprets in reports.

General Plan: In Washington, D. C., to give policy direction to and be responsible for the correlation of the press, radio, motion pictures, publications and window display type of exhibits work of the Department through the employment of existing authorities centered in the Office of Information; in the field, to utilize the new Field Information Service of this Office to keep the Secretary of Agriculture informed on the total informational operation of the Department in the field and at his direction to carry out with the assistance of bureau information personnel specific unified information programs.

Progress and Current Programs: The war effort requires that information be furnished to the public. The Office of Information is the agency responsible for getting information to farmers on the total war job of agriculture as well as on many other aspects of the total war program through the Department's established channels, and for getting information concerning agricultural phases of the war program into the information channels operated by the overhead war agencies. During the past year the Department's information programs and activities were redirected and focused on the war job. Of especial note was the "Food for Freedom" campaign which was carried to the Nation's farmers through the media of the press, radio, exhibits, motion pictures, publications and in-person contacts. The response was all-out production far exceeding any previous records. Established goals for virtually all commodities were topped; critical food and fibers were supplied in great abundance, including agricultural products we could no longer import from other countries.

Agricultural war information campaigns planned and directed by the Office of Information deal with production of war crops; conservation and rationing of machinery, fertilizer, insecticides, and other production materials; pooling of truck transportation under truck mileage rationing; and recruiting, training, and utilization of farm labor resources.

The Office assumed the responsibility for preparing a semi-monthly house organ, "USDA", to keep Department of Agriculture employees abreast of the agricultural war developments, for issuing the weekly "War Letter for Agriculture" to the State and County War Board Chairmen, land grant colleges, farm organizations and key Department officials in the field, and for compiling and issuing a weekly Information Activity Report to bureau information workers. A weekly letter and feature material were supplied farm journal editors and farm program directors of radio stations to assist in keeping farmers better informed about numerous phases of the war effort which require their cooperation.

Widespread economy measures arranged by the Office of Information included elimination of all bureau house organs, curtailing drastically the number of copies, pages, and frequency of printed periodicals, limiting the preparation and issuance of publications to those which contribute to the war effort, revising old publications and getting out quickly new publications essential to furthering the Food for Freedom program. Clearance of publications material prepared by other departments and war agencies related to the agricultural field rested with this Office as did clearance of our material with other agencies.

Preliminary to the transfer of the Exhibit Division (formerly of the Extension Service) to this Office, considerable attention was given to programming operations in this field for the Department as a whole.

The Field Information Service completed its first year's work during the past fiscal year. The division was organized to keep the Secretary and the Director of Information informed on the total information operation of the Department in the field, and to advise with agency information officers in

the field in order that the agency's information program will complement the total Department information programs. On this small staff fell the specific responsibility for giving directions to and securing complete support of Department field offices for the information campaigns promoting the many phases of the Food for Freedom program. Other new developments during the year included cooperation with the Coordinator of Information and later the Office of War Information in getting recordings made of foreign-born farmers and rural citizens, which were subsequently short-waved to belligerent and occupied countries, providing materials to foreign news broadcasters and for the AEF short-wave beams and transcribed broadcasts.

Prior to the actual transfer of the Motion Picture Division to the Office of Information on July 1, 1942, plans were laid for the 1943 fiscal year program. Under the leadership and supervision of this Office four Department pictures were planned and production started late in the spring. Three of these are completed and the fourth is nearing completion. One was a documentary picture showing how farm women of America are accepting new responsibilities brought on by the war. Another was devoted to the importance of thrift, salvage, and conservation on the farms during the total war. The third was a documentary explanation of our agricultural conversion to show how American farmers fit into the strategy of the United Nations, why production of certain foods, fibers, oils, and fats are necessary, the problems involved and how farmers are meeting them. The fourth in this series is a one-reel picture to inform farmers of the official services at their disposal and how they can best be used.

The emphasis on press services of the Department shifted toward informative stories channeled through county extension editors and to background information supplied columnists, reporters of newspapers and trade journals. War legislation, executive orders, and regulations promulgated by war agencies bearing on agricultural as well as the Department's war programs created a great need for providing supplementary information through the Press to all affected to obtain maximum compliance with participation in the war job.

On the radio front a number of new services were rendered on request. Agricultural information was supplied the Columbia Broadcasting System for broadcast on their weekly 30-minute "Country Journal" program. Weekly, informative prepared material was used on the Garden Gate Program. Scripts and feature material were regularly sent to the Radio News Service of United Press, the Press Association, Incorporated, and the International News Service. Contributions were sent script writers preparing the "Report to the Nation" type of program. Local stations were serviced with agricultural information. Weekly memoranda were sent to farm program radio directors to keep them abreast of war developments. Assistance was given the Office of War Information in preparing the "Station War Guide."

More and more of the material broadcast on the National Farm and Home Hour was prepared by the radio staff of the Office of Information. The Secretary of Agriculture started and has continued to report directly to the farmers of the country in the National Farm and Home Hour what had been accomplished and still needs to be done agriculturally to win the war.

In short, the Office of Information coordinated the total information work of the Department, teamed with the overhead war agencies to get the desired results; met the wartime information demands of farmers and others contributing to the war job, and utilized in a concerted way all the media of communication available.

SUPPLEMENTAL FUNDS

(Complete Bureau Statement)

Direct Allotment

Project	Obligations: 1942	Estimated : Obligations:	Estimated : Obligations:
		1943	1944
Working fund, Agriculture, Information	:	:	:
(transfer from "Salaries, Office of	:	:	:
the Secretary of the Interior"): For	:	:	:
services rendered to the Fish and	:	:	:
Wildlife Service	\$4,000	- -	- -
TOTAL, SUPPLEMENTAL FUNDS (Direct	:	:	:
Allotments)	4,000	- -	- -

(b) PRINTING AND BINDING

Appropriation Act, 1943.....	\$1,300,000
Transfers, 1943 from other appropriations.....	550,000
Total available, 1943.....	<u>\$1,850,000</u>
Budget estimate, 1944:	
Direct appropriation.....	1,200,000
Transfers to be made available in 1944 from other appro- priations.....	550,000
Total available, Budget estimate, 1944.....	<u>1,750,000</u>
Net decrease in total available funds.....	<u>-100,000</u>

PROJECT STATEMENT

Project	1942	1943 (estimated)	1944 (estimated)	Increase or decrease
1. Job work and binding:				
(a) Binding	29,749	33,575	31,575	-2,000
(b) Emergency field print- ing.....	5,121	7,000	8,000	+1,000
(c) Job work.....	740,878	1,058,425	1,049,425	-9,000
(d) Letterheads.....	40,900	40,000	35,000	-5,000
Total.....	816,648	1,139,000	1,124,000	-15,000 (1)
2. Reports, periodicals, and other regulatory, service and administrative publications:				
(a) AAA Instructions and Procedure	21,990	17,000	17,000	
(b) Agriculture in the Americas.....	6,440	6,000	6,000	
(c) Agriculture De- cisions.....	462	3,600	3,600	
(d) Agricultural Situation.....	17,174	18,000	15,000	-3,000
(e) Annual Reports.....	12,067	6,000	6,000	
(f) Briefly Speaking.....	281	- -	- -	
(g) Congressional Docu- ments.....	2,728	4,000	4,000	
(h) Consumers' Guide.....	5,990	25,000	- -	-25,000
(i) Crops & Markets	13,834	13,500	10,500	-3,000
(j) Experiment Station Record.....	22,987	21,000	16,000	-5,000
(k) Extension Service Review.....	8,641	6,000	6,000	
(l) Farmers Bulletin Lists.....	9,188	6,000	6,000	

PROJECT STATEMENT (Continued)

Project	1942	1943 (estimated)	1944 (estimated)	Increase or decrease
(m) Fire Control Notes.....	1,966	- -	- -	
(n) Foreign Agriculture....	3,038	1,800	1,800	
(o) Forest Service Folders.	16,061	5,000	3,000	-2,000
(p) Indexes.....	9,326	7,000	4,000	-3,000
(q) Inventory of Seeds and Plants Imported.....	2,911	750	750	
(r) Journal of Agricultural Research.....	6,185	4,500	4,500	
(s) Land Policy Review.....	6,337	1,800	1,800	
(t) Monthly List of Publi- cations.....	1,617	1,000	1,000	
(u) RE News.....	17,078	17,100	15,000	-2,100
(v) FTA Instructions & Procedure.....	3,215	1,000	1,000	
(w) Service & Regulatory Announcements.....	16,995	17,000	17,000	
(x) Soil Conservation Magazine.....	8,552	7,500	7,500	
(y) Unnumbered Publica- tions.....	48,521	25,550	25,000	-550
(z) USDA.....	1,900	7,500	7,500	
(aa) Yearbook.....	22,700	- -	- -	
(bb) Yearbook Statistical Report.....	19,448	17,000	17,000	
Total.....	307,632	240,600	196,950	-43,650

3. Research & Technical

Publications:

(a) Circulars.....	30,347	15,000	15,000	
(b) Erosion Reports.....	4,063	2,000	2,000	
(c) Experiment Station Bulletin.....	3,973	3,000	3,000	
(d) Hydrologic Bulletins...	24,480	5,000	3,000	-2,000
(e) Journal of Agricul- tural Research Separate	17,774	12,000	10,000	-2,000
(f) Reprints & Revisions (General).....	7,242	3,000	3,000	
(g) Reprints of outside articles.....	2,307	3,000	3,000	
(h) Soil Surveys.....	108,183	43,000	30,000	-13,000
(i) Statistical Bulletins	1,175	1,000	1,000	
(j) Technical Bulletins...	27,217	18,000	15,000	-3,000
Total.....	227,361	105,000	85,000	-20,000

PROJECT STATEMENT (Continued)

Project	1942	1943 (Estimated)	1944 (Estimated)	Increase or decrease
Farmers' Bulletins and other Popular Publications:				
(a) AAA Bulletins.....	15,099	8,000	5,000	-3,000
(b) Agricultural War Information.....	26,287	75,000	85,000	+10,000
(c) The Farmer & The War.....	775	15,000	10,000	-5,000
(d) BAE-EXT Fliers.....	3,962	5,000	- -	-5,000
(e) Diseases of Cattle.....	30,000	- -	- -	
(f) Diseases of the Horse.....	17,513	- -	- -	
(g) Farmers' Bulletins (new)...	32,463	25,000	20,000	-5,000
(h) Farmers' Bulletins (Reprints & revisions)....	115,108	90,000	80,000	-10,000
(i) FCIC Publications.....	25,306	20,000	20,000	
(j) Leaflets (new)	4,875	7,000	13,050	+6,050
(k) Leaflets (reprints).....	2,948	6,000	6,000	
(l) Miscellaneous Publications.....	117,172	68,400	50,000	-18,400
(m) Posters.....	11,312	30,000	45,000	+15,000
(n) REA News (separates).....	12,193	10,000	4,000	-6,000
(o) REA Popular Publications...	15,560	5,000	5,000	
(p) Statistical Separates.....	1,236	1,000	1,000	
(q) Yearbook Separates.....	5,921	- -	- -	
Total.....	437,731	365,400	344,050	-21,350(4)
total obligations, printing and binding.....	1,789,372	1,850,000	1,750,000	-100,000
received by transfer from:				
Conservation and Use of Agricultural Land Resources.....	150,000	175,000	175,000	- - - -
Exportation and Domestic Consumption of Agricultural Commodities.....	150,000	225,000	225,000	- - - -
Parity Payments.....	150,000	150,000	150,000	- - - -
unobligated balance	210,739	- - - -	- - - -	- - - -
total estimate or appropriation...	1,550,111	1,350,000	1,200,000	-100,000

DECREASES

The decrease of \$100,000 in the direct appropriation consists of:

(1) A decrease of \$15,000 under the project "Job work and binding, expenditures for printing."

- (a) A reduction of \$9,000 will have to be made in operating forms.
- (b) A reduction of \$5,000 made in expenditures for letterheads required by the Department's bureaus and agencies.
- (c) A reduction of \$2,000 effected in the binding of publications in the field.
- (d) An increase of \$1,000 is anticipated in the emergency procurement of printed forms in the field.

(2) A decrease of \$43,650 under the project "Reports, periodicals, and other regulatory, service, and administrative publications, expenditures for printing."

- (a) Of this amount, a \$25,000 reduction will be made by not financing from this appropriation the printing of the monthly periodical, "Consumers' Guide."
- (b) The remaining decrease of \$18,650 must be effected by curtailing the distribution of certain periodical reports, reducing the number of Forest Folders printed, and eliminating the printing of all but the most essential indexes.

(3) A decrease of \$20,000 under the project "Research and technical publications, expenditures for printing."

- (a) The reduction in this amount can be accomplished in fiscal year 1944 by printing fewer "Soil Surveys", "Technical Bulletins", and "Hydrologic Bulletins".

(4) A decrease of \$21,350 under the project "Farmers' bulletins and other popular publications, expenditures for printing."

- (a) An increase in 1944 of \$10,000 is estimated for the Agricultural War Information Series, each publication of which is given relatively wide distribution; an increase of \$15,000 is foreseen for the Department's war posters; and lastly an increase of \$6,050 for the printing of new Farmers' Leaflets bearing directly on the war, superseding to a degree at least, the more voluminous Farmers' Bulletins, is anticipated in 1944.
- (b) To offset the increases in this appropriation item and to effect a net reduction of \$21,350 the Department will have to enforce cuts appreciably below 1942 expenditures, and also under 1943 estimates for the following type of publications: Farmers' Bulletins (new), Farmers' Bulletins (revisions and reprints), Miscellaneous Publications, the new series "Farmer and the War," Agricultural Adjustment Agency Bulletins, and abolishing the so-called BAT-EXT Fliers. This will result in a reduction of \$52,400 below 1943 for these types of publications.

WORK UNDER THIS APPROPRIATION

Objective: To procure annually the wide variety of forms, schedules, and certificates indispensable to the operation of the wartime agricultural programs, for which the Department is responsible; to make available to farmers information necessary to gearing in their operations with the established national production goals which must be reached to insure the success of the Food-for-Freedom Program; to make available to the public generally essential wartime consumer information on conservation and use of farm products; to keep Department staff workers, collaborators in Washington and in the field advised of agricultural program developments; to make known, the results of research conducted in Department laboratories and field experiment stations.

Problem and Significance: To make the best possible use of the funds available so that not only will the bureaus and agencies requirements be met for "job printing" and forms, but also so that the war publication program essential to farmer understanding, appreciation, and support for the Food-for-Freedom Program can be adequately enlisted. The Department's programs, especially those dependent to a high degree on widespread farmer participation for success, require annually a large number of operating forms.

General Plan: To centralize in the Office of Information the responsibility for getting the maximum benefit from printing funds, to procure promptly and in sufficient quantities from the Government Printing Office or from commercial sources, when necessary, forms indispensable to program and day-to-day work; by so controlling and planning the printing expenditures make it possible that all types of printing requirements are met to a maximum extent and economies effected by consolidating printing orders and by adopting measures resulting in paper and composition savings.

Progress and Current Programs: Little change was noted in total expenditures for job printing, including letterheads and binding, between fiscal years 1941 and 1942. Particularly since December 1941, however, all printing requests for forms were scrutinized to effect maximum standardization and the use of less expensive paper stocks.

The second category of printed material for the Department embraces reports, periodicals, and other regulatory, service and administrative publications. Of this group several periodicals were eliminated; namely, Fire Control Notes, Briefly Speaking, Climatological Data, and the Yearbook of Agriculture. The only new periodical authorized was "USDA", a four-page semi-monthly carrying important announcements and information for the guidance of department personnel in Washington and in the field. To quite a degree it is taking the place of the numerous bureau house organs which were discontinued. Other periodicals which were curtailed either in number of pages, number of copies issued, or the frequency issued included Foreign Agriculture, Land Policy Review, Journal of Agricultural Research, Soil Conservation Magazine, Rural Electrification News, Extension Service Review, Crops and Markets, List of Available Publications, Annual List of Plant Introductions, Directory of Organization and Field Activities, and the Annual Reports of the Bureau Chiefs.

With the entry of this country into the war the Department's publication program comprising the scientific and technical publications as well as the so-called popular type of material underwent a drastic change. Many manuscripts submitted for publication were withdrawn "for the duration"; additions were made to others to relate the information to the war; others just off the press were restricted to official use by those who could put the information into immediate service; a number of others already sent to the printing office were cancelled. State Farm Handbooks were discontinued. Publications in other series were shelved unless it could clearly be demonstrated that the dissemination of the information furthered the agricultural war effort. On the other hand new series of publications to help farmers and homemakers adjust to the wartime situation were established. Among the new series of publications called into being were: The Farmer and the War, Food for Freedom, and the Bureau of Agricultural Economics-Extension Service Fliers. War usefulness was the criterion all manuscripts had to pass. To facilitate the wartime redirection of the publication program, funds allotted to the bureaus and offices of the Department were recalled and the total publications fund was closely managed by the Office of Information. A few of the new publications issued during the year were: Victory Gardens, Wartime Farming in the Southern Great Plains, Feeding to Produce More Milk for Victory, Farm Machinery Goes to War, Soybean Oil and the War, Fight Food Waste in the Home, Eat the Right Food to Help Keep You Fit, 11 Ways to Increase Milk Production, Community Food Preservation Centers.

To meet quickly the wartime demands for agricultural information and to get the maximum benefit from the publication funds available, plans were laid to keep the money in a central fund controlled by the Office of Information in fiscal year 1943.

A description of the printing items listed under Projects 2 and 3 follows:

Reports, periodicals, and other regulatory, service and administrative publications:

- (a) AAA Instructions and Procedures: Consists chiefly of letters of an administrative nature, instructions, and procedures for Agricultural Adjustment Agency committeemen to follow in administering the Department's conservation and adjustment programs.
- (b) Agriculture in the Americas: Promotes a better understanding of the need for inter-American agricultural cooperation; reviews significant happenings in this field and serves as a forum for discussion of agricultural problems in the Americas; distributed monthly to Department workers, libraries, cooperating federal and state agencies, Ministries of Agriculture in Latin American countries and Latin American Diplomatic representatives, Latin American Universities, and representatives of key exporters, trade journals, etc.
- (c) Agriculture Decisions: Decisions of the Secretary of Agriculture under the regulatory laws administered in the Department of Agriculture.
- (d) Agricultural Situation: To inform key groups of the economic situation with respect to agriculture. It includes statistics on production, movement,

consumption, prices and purchasing power of commodities and is sent monthly to crop reporters, economists, technical workers, extension agents and officials of the Agricultural Adjustment Agency.

(e) Annual Reports: Many annual reports are required by law for the purpose of making a permanent record of the work performed during the preceding fiscal year.

(f) Briefly Speaking: (AAA). This publication is used to place pertinent information in the hands of AAA committeemen and others cooperating in the Agricultural Conservation and Adjustment Administration programs. It is printed when material of sufficient importance has accumulated to warrant publication. Abolished in 1943.

(g) Congressional Documents: Copies of Congressional bills, resolutions, reports, directories. Congressional Records are obtained only for use by Department personnel.

(h) Consumers' Guide: Circulated to key groups and individuals who serve as focal points in disseminating further information of value to consumers. A small part of the cost of the Guide is financed under this direct appropriation; the bulk of it is financed from the amount transferred from AC&AA funds. To be financed entirely after 1943 from funds made available to the Agricultural Marketing Administration.

(i) Crops and Markets: Statistical information on crop and livestock estimates, market information, reports on supplies, stocks, commercial movements, etc.

(j) Experiment Station Record: Designed to keep research workers in agriculture and home economics informed of current scientific developments, with particular reference to the research reports from State Experiment Stations.

(k) Extension Service Review: Serves to keep extension agents familiar with current developments in the Department and the various state colleges; issued monthly.

(l) Farmers' Bulletin Lists: Furnished to Members of Congress, extension agents, and farmers to show current available publications.

(m) Fire Control Notes: Issued bi-monthly to inform members of the staff and cooperators of the Forest Service on developments in techniques of forest fire control. Abolished in 1943.

(n) Foreign Agriculture: Highlights in the current world agricultural situation, including production, trade and demand indices; analyses of agricultural imports and exports and current policies of foreign governments with respect to agriculture.

(o) Forest Folders: Directed to the millions of visitors to national forests to encourage careful and proper use of these areas as a safeguard against forest fires.

(p) Indexes: Invaluable because of the large number and numerous series of publications printed.

(q) Inventory of Seeds and Plants Imported: A record of new and little-known seeds and plants imported from abroad for use of the Department, State experiment stations and other experimenters.

- (r) Journal of Agricultural Research: Technical reports of basic research conducted in the Department and State experiment stations; distribution only to selected libraries.
- (s) Land Policy Review: Reports significant results of research and study in fundamental agricultural problems.
- (t) Monthly List of Publications: Announces the availability of new and revised publications.
- (u) RE News: Issued monthly to provide information on the progress and development of the rural electrification program.
- (v) REA Instructions and Information: Directions and instructions of an administrative nature as an aid to the operations of REA cooperatives.
- (w) Service and Regulatory Announcements: Orders and notices of a mandatory character to effectuate regulatory programs.
- (x) Soil Conservation Magazine: Contains administrative information to members of the field staff of the Soil Conservation Service and provides specialists of the Service and cooperating agencies with current technical and scientific knowledge in soil conservation and related fields.
- (y) Unnumbered Publications: Those of specialized character, for administrative use, restricted distribution, or of temporary usefulness, though each is important in its own field. Three examples are the following: "Be a Victory Planner in Your Home", "Eat the Right Food to Help Keep you Fit," and "Dried Fruits in Low Cost Meals."
- (z) USDA: Informs all employees in all agencies of Department-wide policy and action.
- (aa) Yearbook of Agriculture: An annual publication required by law presenting new developments in Agriculture; provides a permanent chronological record of agricultural history year by year. Discontinued indefinitely with the 1942 Yearbook.
- (bb) Statistical Report: Previously included in the Yearbook of Agriculture, now published separately for purposes of economy.

Research and technical bulletins:

- (a) Circulars: Semi-technical reports on current results of the manifold research programs of the Department. Some examples are "Preservation of Fruits and Vegetables by Commercial Dehydration," "Fuel Wood Used in the U.S., 1630-1930," and "Handling Apples from Tree to Table."
- (b) Erosion Reports: Studies of soil erosion and land use in selected areas as a means of obtaining an accurate inventory of physical land conditions; distribution limited to Federal and State agencies within the surveyed areas and to libraries.

- (c) Experiment Station bulletins and reports: This series is used to report the results of work done at the insular research stations, including the annual reports of the insular stations.
- (d) Hydrologic Data: These studies determine the effect of agricultural land use practices on the conservation of soil and water and on floods; data needed for economically designing the erosion, flood-control and hydraulic structures used in the soil and water conservation program.
- (e) Journal of Agricultural Research separates: Since the bound copies of the Journal itself are sent to a very restricted list, separates are printed for scientists who request technical information on the specific subject covered.
- (f) Reprints and revisions: Consists of reprints of older publications such as Department Circulars and Miscellaneous Circulars containing scientific information of current value.
- (g) Reprints of Outside Articles: The purchase of small numbers of reprints of current technical material prepared by Department scientists but printed in nongovernmental publications.
- (h) Soil Surveys: Survey maps and textual information used in connection with the coordination of broad land-use programs of the Department and cooperating agencies; especially useful in program formulation by the Extension Service, colleges of agriculture and experiment stations, and Federal and private credit agencies.
- (i) Statistical Bulletins: All statistical publications including those on futures trading. An example is "Statistics on Receipt and Distribution of Sugar in the U.S., 1934-1939".
- (j) Technical Bulletins: Form a permanent record of research results for Department scientists, cooperating institutions and scientists of the experiment stations. Valuable research results are published in this series to enable the public to obtain the information in a usable form.

Farmers' Bulletins and other popular publications:

- (a) Agricultural Adjustment Agency Bulletins: Used to disseminate essential information to individual farmers eligible to participate in the farm programs; also designed to inform the general public on the work of the program and its relationship to other phases of our national life.
- (b) Agricultural War Information: Illustrated folders with pointed suggestions encouraging good nutrition, conservation of home equipment and supplies, etc., as a part of the job of winning the war.
- (c) The Farmer and the War: A series of 6-10 page pamphlets interpreting the effects of the war on farm prices, land values, taxation, etc.

(d) BAE-Extension Fliers: Emphasizing the need for more production of farm products, care of farm machinery, etc. Some examples are "Feeding to Produce More Milk for Victory" and "Farm Machinery Goes to War."

(e) Diseases of Cattle: Revision and reprint of former publication issued under this title.

(f) Diseases of the Horse: Revision and reprint of former publication issued under this title.

(g,h,j,k) Farmers' Bulletins and Leaflets (New and reprints): The most popular and most widely distributed publications of the Department; contain practical information on many agricultural subjects. Four-fifths of all Farmers' Bulletins are distributed by Members of Congress; furnished only upon request.

(i) Federal Crop Insurance Bulletins: Distributed through State and county farmer committees to acquaint farmers with the general operation of the crop insurance program and explains how farmers may avail themselves of the benefits of the program.

(l) Miscellaneous Publications: Those not of octavo size, or containing material of miscellaneous nature not suitable for the regular series, and often prepared for dissemination of information on specialized projects. Three examples are the following: "Wartime Farming in Northern Great Plains (497)", "Victory Gardens, (483)", and "War and Farm Work (492)".

(m) Posters: For use in connection with special campaigns such as forest fire protection and the Food-for-Freedom campaign.

(n) REA News (separates): Issued each month in larger quantities than the regular issues of the News; contains useful information to consumers of electricity on REA cooperative lines.

(o) Rural Electrification Administration Popular Publications: Some examples of these are booklets on "Care and Use of Your Washer," "Care and Use of Your Refrigerator," and "Save Food, Fats and Equipment Now."

(p&q) Yearbook and Statistical Separates: Printed in small volume mainly for use in answering correspondence; consists of specialized articles and tables.

SALARIES AND EXPENSES, LIBRARY

Appropriation Act, 1943	\$107,030
Transfers, 1943, from other appropriations	+362,727
Total available, 1943	<u>469,757</u>
Budget estimate, 1944:	
Direct appropriation	468,932 *
Transfer to be available in 1944 from	
"Administrative expenses, Commodity	
Credit Corporation"	+750
Total available, Budget estimates, 1944	<u>469,682</u>
Net decrease in total available funds	
(travel funds returned to surplus)	<u>-75</u>

* The Budget estimate of \$468,932 in the direct appropriation for 1944 consists of the 1943 direct appropriation of \$107,030, less \$75 travel funds returned to surplus, plus \$361,977 in funds formerly transferred or allotted as follows:

Appropriated funds from which transfers were made in 1943, and in which reductions are provided in 1944 in amounts equal to the funds merged with "Salaries and expenses, Library"	Trans- ferred 1943	Amount to: be merged: with appro- priation, 1944	Increase or decrease, amount to be merged in 1944 compared with transfers 1943
Salaries and expenses, Office of the Secretary	\$2,880	\$2,880	- -
Salaries and expenses, Office of Solicitor	18,800	18,800	- -
Salaries and expenses, Extension Service	5,100	5,100	- -
Salaries and expenses, Office of Foreign Agricultural Relations	2,000	2,000	- -
Salaries and expenses, Bureau of Agricul- tural Economics	66,135	66,135	- -
Salaries and expenses, Office of Experi- ment Stations	9,750	9,750	- -
Regional Research Laboratories	25,805	25,805	- -
Salaries and expenses, Bureau of Animal Industry	8,160	8,160	- -
Salaries and expenses, Bureau of Dairy Industry	5,140	5,140	- -
Salaries and expenses, Bureau of Plant Industry	27,860	27,860	- -
Salaries and expenses, Bureau of Agri- cultural Chemistry and Engineering	5,400	5,400	- -
Salaries and expenses, Bureau of Entomology: and Plant Quarantine	17,800	17,800	- -
Salaries and expenses, Bureau of Home Economics	1,620	1,620	- -
Salaries and expenses, Forest Service	42,319	42,319	- -

Appropriated funds from which transfers were made in 1943, and in which reductions are provided in 1944 in amounts equal to the funds merged with "Salaries and expenses, Library"	:	Transferred 1943	: Amount to be merged with appropriation, 1944	: Increase or decrease, amount to be merged in 1944 compared with transfer 1943
Conservation and use of agricultural land resources	:	\$12,820	:	\$12,820
Parity payments	:	1,500	:	1,500
Administration of Federal Crop Insurance Act	:	800	:	800
Soil Conservation Service	:	33,270	:	33,270
Exportation and domestic consumption of agricultural commodities	:	18,585	:	18,585
Marketing Service, Agricultural Marketing Administration	:	475	:	475
Loans, grants, and rural rehabilitation ...	:	13,083	:	13,083
Salaries and expenses, Rural Electrification	:	11,950	:	11,950
Salaries and expenses, Farm Credit Administration	:	30,725	:	30,725
Total	:	361,977	:	361,977

PROJECT STATEMENT

Project	: 1942	: 1943	: 1944	: Increase or decrease
	: estimated	: estimated	: estimated	
1. General administration and business service	: \$41,956	: \$42,500	: \$42,500	: - -
2. Acquisition of publications by purchase, gift and exchange, and preparation of material for use	: 150,883	: 146,980	: 146,980	: - -
3. Bibliographical services	: 86,447	: 79,522	: 79,522	: - -
4. Circulation and reference services	: 90,833	: 83,930	: 83,930	: - -
5. Field library services	: 119,671	: 116,750	: 116,750	: - -
Covered into Treasury in accordance with Public Law 674	: - -	: 75	: - -	: -75
Unobligated balance	: 78	: - -	: - -	: - -
Total, available funds	: 489,868	: 469,757	: 469,682	: -75
Continuing transfers from other appropriations	: -750	: -750	: -750	
Total estimate 1944 and comparable amounts 1943 and 1942	: 489,118	: 469,007	: 468,932	

CHANGE IN LANGUAGE

The estimates include the following proposed addition to the language of this item, part of which is a shift in position from the appropriation "Office of the Secretary," where it was carried in the 1943 Act:

Provided further, That the Secretary is authorized to make copies of bibliographies prepared by the Department Library, microfilm and other photographic reproductions of books and other library materials in the Department and sell such bibliographies and reproductions at such prices (not less than estimated cost of furnishing same) as he may determine, the money received from such sales to be deposited in the Treasury to the credit of this appropriation.

This change provides for the insertion in this item of authority for the Secretary of Agriculture to make and sell copies of bibliographies, microfilm and other photographic reproductions of books and other library materials. That portion of this language relating to microfilm and other photographic reproductions of books and library materials has heretofore been carried in the language for the appropriation "Salaries, Office of Secretary of Agriculture." Since this language refers only to library materials and authorized the deposit of funds derived from the sale of such reproductions to be credited to this appropriation item, it is considered to be more properly a part of this appropriation.

That portion of the proviso which refers to making and selling copies of bibliographies prepared by the Department Library is new. Present funds available have not permitted the Library to meet current requests for distribution of important library bibliographical services, and agencies, and private groups and individuals outside the Department are asking that they be permitted to purchase these services. Since there is no way of estimating what the volume of sales of these mimeograph lists would be, it is recommended that this be done by revising the appropriation language as indicated so that this appropriation will be reimbursed for whatever costs may arise and will be able to give this service to additional people who want it.

REORGANIZATION OF DEPARTMENT LIBRARY SERVICES

The reference work-load of the Department Library was increased by more than three hundred per cent during the fiscal year 1942 because of demands made upon us by the armed services and other war agencies for information necessary for the prosecution of the war.

This increased reference and bibliographical work was absorbed without additional funds, in fact it was accomplished with decreased funds, by consolidation of all library and bibliographical work of the Department under Executive Order No. 9069, issued by the President on February 23, 1942, under the authority of the First War Powers Act, and Secretary's Memoranda 973 and 973, Supplement 1, and, to some extent, by deferral of normal library work until after the war.

The library system of the department was completely reorganized to meet war service requirements, at the expense of normal work. Reduction of normal

library technical processes, for example, has been carried to such an extent that we have reversed the former relationship between technical process work and service work. In 1941, acquisition of publications, cataloging, classification and other library technical processes absorbed 76 per cent of the Department Library expenditures, leaving only 24 per cent of our funds available for service. In 1943 these necessary technical functions are receiving only 32 per cent of our total expenditure and 68 per cent of our funds are going to provide service to the armed services; to other war agencies such as the War Production Board, the Office of Price Administration, the Office of Strategic Services, and the Board of Economic Warfare; as well as to the bureaus and offices of the Department which are concentrating on war problems.

While much of this reduction of technical work is attributable to increased efficiency of the consolidated library system, which eliminates the necessity for maintenance of bureau library catalogs, etc., some of it is merely deferral of normal peacetime activities until after the war, at which time we shall have a considerable backlog of technical process work to catch up if the Library is to be maintained at a satisfactory level of efficiency in the future.

Some of the more tangible results of the consolidation of all library and bibliographical work of the Department are:

1. Reduction of expenditures. Total Departmental expenditures for library and bibliographical services for the fiscal year 1943 are approximately \$70,000 less than they were in 1941.
2. Reduction of space. By virtue of the consolidation, the Department Library released in excess of 16,000 square feet of office space in the South and Administration buildings, to other agencies which were formerly occupying rented space in the City.
3. Reduction of furniture and equipment. More than 1,000 pieces of furniture and equipment were released by the Library for other needed use by agencies which would otherwise have had to purchase such equipment.
4. Elimination of forms. More than 150 forms were eliminated.
5. Increased service in Washington. Hours of reference service have been increased from 40 to 64 hours per week.
6. Increased service in the Field. Library service has been made more readily available to the Department staff in the field by consolidation of field libraries into nine branches.
7. Improved service. The quality of service rendered has been improved by regrouping Library activities so that librarians with special subject background are released from routine duties to concentrate on intensive bibliographical and reference work in their fields of subject competence.

WORK UNDER THIS APPROPRIATION

Objective: To collect, organize, and use the information contained in agricultural literature in such a way as to aid in the formulation and execution

of agricultural programs and to avoid duplication of research and costly mistakes by bringing to bear on all research, administrative and agricultural adjustment problems (most specifically insofar as they relate to current war efforts) the wealth of experience and judgment recorded in agricultural literature.

The Problem and its Significance: In order to fulfill the above objective it is necessary to acquire through purchase, gift, and exchange the agricultural, scientific, technical and economic books and periodicals needed in the work of the Department; to make the contents of the Library readily available by classification, cataloging, indexing and otherwise; to administer all of the library and bibliographical work of the Department of Agriculture in Washington and in the field; to compile bibliographical tools for the use of the Department staff and others both in Washington and the field; to procure copies, on film or otherwise, of material required to fill gaps in the collections; to provide translations of correspondence and articles from and into foreign languages; to extend to the field staff of the Department library service comparable to that rendered in Washington; to provide information requested by agricultural workers in the Land-Grant Colleges and Experiment Stations; to maintain field library services on the Departmental level; and to serve as a liaison agent between all field staff and the library facilities in their localities as well as in Washington.

General Plan: In carrying out this responsibility of the national agricultural library as the only active Federal source of agricultural literature and the information contained in this literature, every effort is being made to maintain the Library at the maximum level of effective service consistent with the limited funds available. As a result of the consolidation of the Department libraries the Library is endeavoring to support research and administrative programs of the Department to the extent to which they must be supported by library service if they are to function without wasteful duplication of effort and repetition of experiments that have been performed before. The Library now procures publications for the entire Department, serves the staff throughout the country through nine branches and several sub-branches and provides specialized and intensive bibliographical services in relation to various projects. Through dynamic bibliographical services the Library is providing bibliographies which make available to the men in the field the content of literature received and is also providing special research to precede administrative decisions or inception of research projects so that administrators for research of the Department may in all cases be posted on full knowledge of all material available.

Examples of Progress and Current Program: The various bibliographical services issued by the bureaus were consolidated into a single Bibliography of Agriculture which provides, in less space and at less cost, more of the content of agricultural literature than was provided by all the bibliographical services formerly issued. It is issued in five parts, namely: Agricultural Economics and Rural Sociology, Agricultural Engineering, Entomology, Plant Science, Forestry. Other sections to cover problems such as food handling and storage, nutrition, and animal sciences, are still lacking and it is hoped that these may be provided after the war. Bibliographical services of the Bibliography Section have provided intensive surveys of literature in connection with key jobs of the Department such as

Lousicides for Camp Louse Control, prepared in cooperation with the Bureau of Entomology and Plant Quarantine; bibliographies on whole dried milk powder and butter oil have been prepared to aid the research work of the Bureau of Dairy Industry in these subjects. Other special bibliographical research included: Sericulture in the Americas, Power Alcohol, Japanese in American Agriculture, price spread between farmer, processor, and retail outlets, rationing in Germany, England and other countries, and many similar studies related to specific war projects of the Department and other war agencies.

The Division of Reading and Reference Service circulated more than 800,000 books and periodicals during the year despite the fact that normal periodical circulation was reduced to a minimum. More than 40,000 reference questions were handled during the year.

One of the most significant achievements of the past year was the establishment of Department Branch Libraries at all major centers of Department work so that now branch libraries serve all personnel of the Department. Approximately two-thirds of the staff of the Department is in the field. It seems essential that these people be provided with adequate library service if they are to perform their duties on the level of efficiency comparable to that obtainable in Washington. Under this project there is provided library service and flow of information from the Department Library to all Department workers in the field through field branches at points in which major concentrations of the Department staff are located, and the provision of reference and bibliographical service to the staff in the field. Consolidation of the bureau libraries in the field has permitted the merger of small bureau libraries in the same locality at a number of points, thus making possible better library service to all of the Department staff in that area as well as cutting out duplication of effort. As a result nine branch libraries serve all workers of the Department in the field. In addition, specialized libraries such as those of the Regional Research Laboratories and the Forest Products Laboratory have been strengthened. A system has also been provided for furnishing library services to Department employees in the field who do not have ready access to a library.

EXTENSION SERVICE

THE ESTIMATES FOR FISCAL YEAR 1944

The estimates for the Extension Service are divided into two parts providing funds for (1) "Payments to States and Territories" for cooperative agricultural extension work in the 48 states, Hawaii, Alaska, and Puerto Rico, and (2) "Salaries and Expenses" to be expended mainly in Washington for the maintenance of a supervisory and clerical staff for the general administration and coordination of extension work. During peace time the Extension work undertaken is based upon Federal-state cooperative programs of work developed by farm people with the guidance of the Department of Agriculture and the State Agricultural Colleges, while during war time, the work of the Extension Service is guided primarily by the policies and programs of the Federal Government.

(1) Payments to States and Territories

With reference to payments to the states and Territories, the entire amount is paid directly to a designated officer in each state and Territory in accordance with the various acts of Congress, and the funds are disbursed by them in accordance with budgets and programs of work submitted by the directors of extension and approved by the Secretary of Agriculture. The acts require some offset by states and Territories before the funds become available, so that, as it works out, the extension work is financed about 54 per cent from Federal sources and about 46 per cent from state and local sources. The funds are used by the states for the support of state and county extension work with rural people. The Extension Service has organized a network of voluntary neighborhood leaders for work of value to the war effort.

Funds available for fiscal year 1943 for direct payments to states, Hawaii, Alaska, and Puerto Rico for cooperative agricultural extension work total \$18,863,660. In addition, there is available \$93,290 from appropriations direct to the Department of Agriculture, making a grand total of \$18,956,950 available to the states and Territories for the fiscal year 1943. The Budget estimates for the fiscal year 1944 provide for total appropriations of \$19,036,950 for these purposes, involving an increase of \$80,000 as compared with fiscal year 1943. This increase is for the item "Puerto Rico."

With the exception of funds provided for cooperative farm forestry extension work, which are disbursed directly by the Department, Federal funds for cooperative agricultural extension work are allotted and paid directly to the states, Hawaii, Alaska, and Puerto Rico in accordance with the provisions of the several different basic authorization acts. (See Table 2).

The use of all these funds is indicated in greater detail in Tables 1, 2, 3, 4, and 5. Table 1 is a summary of all the funds available to the states and Territories. Table 2 gives the estimate of direct payments to the States and Territories for 1944, indicating those which require offset by state, county, or local funds, those where such offset is not required, and the basis of allotment. Table 3 shows, by states, the allotments available to states and Territories for 1943 and 1944 as contemplated by the Budget estimates. Table 4 shows, by states, Federal funds and funds arising from sources within the respective states for the fiscal year 1943. Table 5 shows the various classes of field agents employed with extension funds.

Table 1

Statement showing appropriation items to the states in 1943 and estimated for 1944

Item	Appropriation, 1943	Budget estimate 1944	Increase or decrease
Payments to States, Hawaii, Alaska, and Puerto Rico for agricultural extension work:			
Permanent Specific Appropriation:			
Smith-Lever Act	\$4,704,710	\$4,704,710	- -
Agricultural Appropriation Act:			
Capper-Ketchum Act	1,480,000	1,480,000	- -
Additional cooperative extension work	555,000	555,000	- -
Extension work, section 21, Bankhead-Jones Act	12,000,000	12,000,000	
Alaska Acts	23,950	23,950	- -
Puerto Rico Act	100,000	180,000	+80,000
Total, Agricultural Appropriation Act	14,158,950	14,238,950	+80,000
Total payments made directly to states and Territories	18,863,660	18,943,660	+80,000
Amounts allotted to states and Territories, but disbursed by Department of Agriculture:			
Cooperative farm forestry:			
Clarke-McNary Act, Section 5	58,530	58,530	- -
Norris-Doxey Act	34,760	34,760	- -
Total allotments to states and Territories	93,290	93,290	- -
Total direct payments and Department allotments to states and Territories .	18,956,950	19,036,950	+80,000

Table 2

Statement of direct payments to states, Hawaii, Alaska, and Puerto Rico, indicating those requiring offset by states and Territories, those not requiring such offset, and basis of distribution, as estimated for 1944.

Item	Total estimate, 1944	Amount to be paid without offset	Amount requiring offset and basis of allotment Amount : Basis of distribution
(1) Permanent annual appropriation (Smith-Lever Act)	\$4,704,710	\$500,000(a)	\$4,204,710: Rural population
(2) Copper-Ketchikan extension work	1,480,000	980,000(b)	500,000: " "
(3) Additional cooperative extension work	555,000	555,000	---: Determined by Secretary of Agriculture
(4) Extension work, section 21, Bankhead-Jones Act	12,000,000	12,000,000(c)	--: Farm population
(5) Alaska	23,950	20,000(d)	3,950: Rural population
(6) Puerto Rico	180,000	180,000	--: Specified by law
Total, direct Federal payments	18,943,660	14,235,000	4,708,660:

(a) \$10,000 to each state, Hawaii, and Puerto Rico.

(b) \$20,000 to each state, and Hawaii.

(c) \$20,000 to each state, Hawaii (balance on farm population basis).

(d) \$10,000 to Alaska (Act of Feb. 23, 1929). \$10,000 to Alaska (Act of June 20, 1936).

Funds from other sources

The Federal funds for cooperative agricultural extension work, for the fiscal year 1943, \$18,956,950, are supplemented by funds from within the states estimated at \$15,908,066, thus making available from Federal, state, and local sources an approximate sum of \$34,865,016 for extension work.

See Table 3 for Federal allotments to states and Territories for fiscal years 1943 and 1944.

See Table 4 for extension funds from all sources by states and Territories for fiscal year 1943.

Table 3. Allotments to States and Territories under Federal funds for cooperative agricultural extension work (including Clarke-McNary and Norris-Doxey extension allotment)

State	Appropriation,		Budget estimate:		Increase
	:	1943	:	1944	
Alabama	:	\$698,256.12	:	\$698,256.12	--
Arizona	:	117,243.39	:	117,243.39	--
Arkansas	:	580,330.30	:	580,330.30	--
California	:	453,531.62	:	453,531.62	--
Colorado	:	212,271.59	:	212,271.59	--
Connecticut	:	133,539.95	:	133,539.95	--
Delaware	:	76,723.21	:	76,723.21	--
Florida	:	229,683.54	:	229,683.54	--
Georgia	:	735,638.45	:	735,638.45	--
Idaho	:	156,797.71	:	156,797.71	--
Illinois	:	583,329.13	:	583,329.13	--
Indiana	:	468,615.67	:	468,615.67	--
Iowa	:	532,440.72	:	532,440.72	--
Kansas	:	403,995.43	:	403,995.43	--
Kentucky	:	664,989.49	:	664,989.49	--
Louisiana	:	469,518.20	:	469,518.20	--
Maine	:	157,659.75	:	157,659.75	--
Maryland	:	199,372.21	:	199,372.21	--
Massachusetts	:	141,234.87	:	141,234.87	--
Michigan	:	510,765.36	:	510,765.36	--
Minnesota	:	494,436.21	:	494,436.21	--
Mississippi	:	697,944.66	:	697,944.66	--
Missouri	:	604,111.45	:	604,111.45	--
Montana	:	174,210.66	:	174,210.66	--
Nebraska	:	344,778.14	:	344,778.14	--
Nevada	:	74,231.85	:	74,231.85	--
New Hampshire	:	94,807.48	:	94,807.48	--
New Jersey	:	172,649.37	:	172,649.37	--
New Mexico	:	142,619.52	:	142,619.52	--
New York	:	501,467.40	:	501,467.40	--
North Carolina	:	856,411.23	:	856,411.23	--
North Dakota	:	248,742.60	:	248,742.60	--
Ohio	:	627,028.46	:	627,028.46	--
Oklahoma	:	554,221.71	:	554,221.71	--
Oregon	:	187,776.87	:	187,776.87	--
Pennsylvania	:	646,045.80	:	646,045.80	--
Rhode Island	:	61,034.47	:	61,034.47	--
South Carolina	:	500,037.33	:	500,037.33	--
South Dakota	:	260,808.45	:	260,808.45	--
Tennessee	:	661,564.55	:	661,564.55	--
Texas	:	1,191,069.93	:	1,191,069.93	--
Utah	:	121,950.24	:	121,950.24	--
Vermont	:	114,300.91	:	114,300.91	--
Virginia	:	546,823.93	:	546,823.93	--
Washington	:	239,310.33	:	239,310.33	--
West Virginia	:	352,819.29	:	352,819.29	--
Wisconsin	:	488,791.86	:	488,791.86	--
Wyoming	:	109,642.21	:	109,642.21	--
Alaska	:	23,950.00	:	23,950.00	--
Hawaii	:	127,691.25	:	127,691.25	--
Puerto Rico	:	204,935.19	:	284,935.19	\$80,000.00
Reserve	:	4,800.00	:	4,800.00	--
Total	:	18,956,950.06	:	19,036,950.06	80,000.00

Table 4. Total allotments to States and Territories from Federal (including U.S.D.A.) and State sources for extension work, fiscal year 1943

State	Total	Total Federal funds	Total within the states
Alabama	\$968,256.12	\$698,256.12	\$270,000.00
Arizona	184,699.00	117,243.39	67,455.61
Arkansas	920,867.30	580,330.30	340,537.00
California	1,062,300.00	453,531.62	608,768.38
Colorado	380,581.26	212,271.59	168,309.67
Connecticut	313,686.95	133,539.95	180,147.00
Delaware	94,314.88	76,723.21	17,591.67
Florida	479,613.53	229,683.54	249,929.99
Georgia	1,094,860.45	735,638.45	359,222.00
Idaho	275,699.98	156,797.71	118,902.27
Illinois	1,189,869.13	583,329.13	606,540.00
Indiana	1,013,223.67	468,615.67	544,608.00
Iowa	1,290,829.48	532,440.72	758,388.76
Kansas	941,042.04	403,995.43	537,046.61
Kentucky	998,020.49	664,989.49	333,031.00
Louisiana	813,746.35	469,518.20	344,228.15
Maine	244,110.82	157,659.75	86,451.07
Maryland	388,435.88	199,372.21	189,063.67
Massachusetts	500,514.87	141,234.87	359,280.00
Michigan	886,035.36	510,765.36	375,270.00
Minnesota	838,737.21	494,436.21	344,301.00
Mississippi	1,095,875.66	697,944.66	397,931.00
Missouri	937,253.26	604,111.45	333,141.81
Montana	376,022.50	174,210.66	201,811.84
Nebraska	623,783.14	344,778.14	279,005.00
Nevada	138,315.51	74,231.85	64,083.66
New Hampshire	253,870.80	94,807.48	159,063.32
New Jersey	479,906.82	172,649.37	307,257.45
New Mexico	265,989.52	142,619.52	123,370.00
New York	1,946,442.49	501,467.40	1,444,975.09
North Carolina	1,397,690.23	856,411.23	541,279.00
North Dakota	392,401.55	248,742.60	143,658.95
Ohio	1,103,259.10	627,028.46	476,230.64
Oklahoma	876,878.16	554,221.71	322,656.45
Oregon	584,772.19	187,776.87	396,995.32
Pennsylvania	1,053,322.80	646,045.80	407,277.00
Rhode Island	83,928.50	61,034.47	22,894.03
South Carolina	717,532.33	500,037.33	217,495.00
South Dakota	367,073.83	260,808.45	106,265.38
Tennessee	995,336.23	661,564.55	333,771.68
Texas	2,145,328.92	1,191,069.93	954,258.99
Utah	223,924.00	121,950.24	101,973.76
Vermont	223,350.91	114,300.91	109,050.00
Virginia	1,026,104.93	546,823.93	479,281.00
Washington	480,340.55	239,310.33	241,030.22
West Virginia	598,922.29	352,819.29	246,103.00
Wisconsin	777,637.00	488,791.86	288,845.14
Wyoming	212,381.00	109,642.21	102,738.79
Alaska	31,450.00	23,950.00	7,500.00
Hawaii	170,683.37	127,691.25	42,992.12
Puerto Rico	400,993.40	204,935.19	196,058.21
Unallotted	4,800.00	4,800.00	- -
Total	34,865,015.76	18,956,950.06	15,908,065.70

As the major purpose of these payments to states is for the employment of extension workers in counties and colleges, the following comparative statement is submitted showing agents employed:

Table 5: Extension field agents employed June 30, 1939, 1940, 1941, and 1942.

	: June 30, : : 1939 :	June 30, : 1940 :	June 30, : 1941 :	June 30, : 1942 :
State supervisors	625	635	629	625
Subject-matter specialists:				
Full-time specialists	1,205	1,269	1,318	1,340
Part-time specialists	365	368	346	346
Total specialists	1,570	1,637	1,664	1,686
Total with headquarters at colleges	2,195	2,272	2,293	2,314
County workers:				
Agricultural agents	3,911	3,929	3,901	3,844
Home demonstration agents	1,960	2,035	2,093	2,183
Boys' and girls' club agents ..	341	342	357	336
Negro extension agents	468	490	502	521
Total county workers	6,680	6,796	6,853	6,884
Total	8,875	9,068	9,146	9,198

Number of counties in the states, Hawaii
and Puerto Rico 3,152
Number of counties now having one or
more agents 2,994

A general statement and an individual explanation of each of the various appropriation items follow:

COOPERATIVE EXTENSION WORK

General Statement

Objective: To aid rural people to make their greatest possible contribution to the war effort through (a) developing an accurate understanding of the various specific programs affecting agriculture, the need for such programs, and ways in which individual rural families may cooperate; (b) encouraging rural people to utilize fully all available resources in solving current problems and in meeting new situations arising out of changing economic, social, and political conditions; and (c) stimulating them to take necessary steps to insure maximum agricultural production, and the maintenance and improvement of nutritional and health conditions, economic welfare, family and community life and the general standard of living in rural areas under present stringent conditions.

The Problem and its Significance: The imperative war need for the effective use of our total agricultural resources in the production of food, fat, and fiber, has resulted in the Extension Service directing its many activities to assist farm people in their contribution to the winning of the war. The Nation calls for the full and unstinted contribution of every farm family. Every man and woman, every boy and girl on the farm is needed to render the vital national service that the farms and farm homes of America can give. In bringing this undertaking to a successful issue, the farm people are faced with great difficulties, particularly as regards shortages of farm and home labor, equipment, machinery, fertilizers, transportation facilities and other supplies and services to which they are accustomed. The Extension Service recognizes that every effort should be made to assure farm and home supplies essential to the job to be done and effective steps should be taken to maintain labor required in farm production; all transportation facilities should be mobilized for greatest effectiveness; and machinery and equipment should be serviced so as to enable producers to increase their output. The Secretary of Agriculture has directed the Extension Service "To carry forward on every sector of the farm front the general educational work in agriculture and home economics essential to the wartime job."

The Extension Service, from its intimate association with the farm life of the Nation, fully realizes the tremendous and unprecedented undertaking of the farm people, and is seeking with every means it has to aid them in carrying out their great task. It is supported by the research work of the Experiment Stations of the State Land-Grant Colleges, and the Department of Agriculture, which are sources of vast stores of information on agricultural problems. With its state and county workers and volunteer cooperating farm men and women leaders in the communities and neighborhoods, it reaches in a personal way practically every farm family in the United States and therefore is in a strategic position to unite the rural people for wide participation in an effective way in the Food for Freedom program, the production of home food supply, conservation of food, clothing, and other materials, and in other activities so necessary at this time. In addition to carrying on extension work for the improvement of farm and homemaking practices, it now includes giving assistance in carrying public programs to the people locally, interpreting these programs and encouraging wide participation in them, and the determination of necessary farm and community readjustments.

General Plan: The state allotments are paid directly to a designated officer in each state and are disbursed by the states in accordance with the budget and programs of work which are submitted by the state directors of extension and approved by the Secretary of Agriculture. Expenditures by the states from this and other cooperative extension appropriations are subject to annual examination by representatives of the Department.

In times of peace the cooperative agricultural extension program originates in and is initiated by the states and, under the law, is submitted afresh each year by each state agricultural college to the Federal Department of Agriculture for consideration and approval. The state then carries out the approved program with the assistance of the Federal Department of Agriculture.

In times of war the cooperative agricultural extension program, by common consent of the state colleges of agriculture concerned, is determined in its larger aspects by the Federal Department of Agriculture. The Department interprets to the state colleges the war situation and the Nation's war aims as they affect agriculture and rural life, and in large measure sets the tempo and shapes the policies of cooperative agricultural extension work throughout the war period.

The state and county war boards consider all matters vital to the war effort which affect agriculture and rural people and assign various undertakings to the organizations or agencies represented on the board best suited for carrying them out. The Extension Service is the general educational agency on the war boards and as such is charged to carry on all general educational work of the war boards and many other essential tasks.

Each of the 48 states, and the Territories of Hawaii, Alaska and Puerto Rico, has a director of extension who represents jointly the Department and the state agricultural college in the administration of extension work. In each state the organization consists of a state administrative and supervisory staff, with headquarters in most cases at the state agricultural college; and county agricultural agents, county home demonstration agents, and county club agents, who have their offices usually at the county seats. More than 3,841,000 farmers, 2,595,000 rural women, and 1,500,000 rural youth actively take part in carrying out extension recommendations. Thousands of others are reached indirectly through seeing improvement in their neighbors' practices, through news, radio and other mass educational means.

There are approximately $2\frac{1}{2}$ technically trained extension workers on the average per county to assist an average of 2,000 farmers, 2,000 farm women, and 4,000 farm youth. At the present time, the Extension Service is training an organization of around 650,000 neighborhood leaders to establish rapid communication with rural people in order to get important information to them and to help them in making required adjustments. One man leader and one woman leader is being selected for about every 15 rural families. Only through widespread training in the use of voluntary unpaid local leaders and the local confidence that has been developed in the Extension Service as an educational agency over the last 28 years, can the small staff of cooperative extension workers reach farm people in every community with current information and practical advice on all major wartime farm and home problems.

Examples of Progress and Current Programs: The Extension Service cooperated with the U.S.D.A. War Boards, state and county defense councils, farm organizations, O.P.A., and many other agencies seeking to effectuate necessary programs in rural areas. Important responsibilities for prosecuting the war program in rural America were assigned to the Extension Service.

The big assignment was teaching farm people how to produce Food for Freedom in the quantities needed, to care for and repair farm machinery, to collect scrap and fats, to conserve, to eat intelligently and live healthily, to know the basic reasons for rationing and the program to control the cost of living, to mobilize rural youth, to market profitably, to protect rural areas from damaging fires, and to train more local leaders to help do the larger war job. This meant that extension workers needed new information to help the farmer produce and market because of drastic changes--lack of rubber, farm machinery, farm labor, scarcity of chemicals for insecticides and fungicides, etc., essential to farm production and marketing, causing many of the time-tested farm operations to be revamped.

It meant too, that the organization of voluntary local leaders had to be expanded and extended to make it possible to reach every farm home quickly, whether or not the farm home had a radio, current newspapers, or a telephone, and even though meetings, tours, and other extension get-togethers had to be abandoned or curtailed.

During the year the Extension Service organized and trained 650,000 farm men and women as neighborhood leaders to help reach the farm homes. Organizing, training, and servicing these neighborhood leaders was one of Extension's biggest undertakings. In most states these rural men and women were called voluntary neighborhood leaders--volunteer, because they contributed their time and effort as a patriotic public service--neighborhood, because each one served from 10 to 20 neighboring farm homes--leaders, because they saw to it that all farm homes received and understood the information that it was necessary for them to have to work and live in a world at war.

The neighborhood leaders' first test came in May when extension was given the task of informing all farm people about plans for controlling the cost of living. Supported with simple leaflets and check lists, and information that had been supplied to them through Extension channels, neighborhood leaders contacted all farms in their neighborhoods. Sample checks showed that the anti-inflation information had penetrated quickly into even remote areas through the neighborhood leaders. Since then they have been called upon numerous times to aid in disseminating vital wartime information on subjects as rural fire protection, food for freedom, sale of United States War Bonds, salvage collection, nutrition and health, conservation of home food supplies, and the like.

Many problems are still clamoring for attention upon which farm people need understanding and guidance. Manpower to produce those most vital foods--milk, meat, and eggs, is the most important one. Equipment, transportation,

and processing facilities look less certain. The production goals for 1942 were exceeded but it appears that the 1943 production goals will require even more thorough, effective, and intensive educational work on the part of the Extension Service.

In the Food for Freedom program, county agents saw that farmers received the facts that would enable them to fulfill their pledges to increase the growing of food needed to maintain the health of our people and our allies. This meant not only more milk per cow, eggs per hen, meat per animal, bushels per acre, production per man, but it meant, too, helping farmers to cope successfully with such handicaps as scarcity of labor, rubber, machinery, etc. Other factors of the Food for Freedom program which drew heavily on the time of agents were wheat feeding, early marketing of hogs, victory gardens, machinery repair, the production of oil bearing crops, and the like. Facts and guidance were supplied through extension channels that helped many farmers make necessary changes to offset some of the handicaps they faced.

Most important job on the farm home front was to keep the family healthy and fit. Home demonstration workers, county agents, and local volunteer leaders encouraged and helped farm people to understand the proper foods needed by the body, and then to plan for, produce, and conserve as many of these foods as possible on the home farm. They taught also effective way of meeting the problem of shortages of such materials as cans, zinc tops for glass jars, sugar, and such equipment as pressure cookers, and showed farm people how to prepare foods to preserve their nutrition values. Household efficiency, home sanitation, personal health habits, fat collection, elimination of waste, how to prolong the life of garments, remodeling clothing, and a host of other activities, were an integral part of extension efforts to aid farm people. Twice as many women are doing farm chores in 1942 as in 1941. Twice as many are working the fields, and three times as many are operating tractors and other power machinery, now as last year, according to the estimates of home demonstration staffs in 31 states. To meet this changed situation in 1942, definite programs are being developed. These include the streamlining of housework in regard to meal preparation, laundering, and cleaning; schools for tractor driving; farm management helps, suitable work clothes; and activities to keep up morale.

The 4-H Club program, too, was revised to enable rural youth to make their maximum contribution. In a drive to mobilize farm youth behind the victory effort, the Department and the State Extension Services dedicated the week of April 5, as National 4-H Mobilization Week. The 1,500,000 4-H members rallied behind a victory program which included the buying and selling of war bonds and stamps, scrap collections, production and conservation of food for home use, Food for Freedom Program, rural fire protection, good citizenship, first aid and home nursing, health, conservation of clothing, and aid in relieving the farm labor shortage. The 4-H Club work has grown in respect and increased in usefulness. The policies primarily responsible

for this growth are (1) the use of sound scientific subject matter; (2) the voluntary enrollment of 4-H Club members in home and farm activities; (3) the establishment of high standards of work and accomplishment by members; and (4) the inspiration and guidance of many thousands of local voluntary leaders. Our total farm population is about 30,000,000 and rural nonfarm population about 27,000,000, making a total of 57,000,000 rural families. The present 4-H Club enrollment is nearly 1,500,000 of which about 21% are from rural nonfarm families. Millions of boys and girls in this group constitute a reservoir of potential service to the Nation.

Last year the Extension Service employed 282 Negro county agricultural agents, 238 Negro home demonstration agents, 2 Negro county club agents, and 39 Negro supervising and district agents. The Negro supervising agents generally have their headquarters at the Negro land-grant college in each state, and many of the Negro extension agents receive their training in these colleges. Help is given Negro families through both white and Negro extension agents. Aiding in the Negro extension work last year were 37,045 volunteer Negro local leaders helping with adults and 22,758 local leaders helping with 4-H Club work. More than 363,000 Negro families were influenced by extension work to improve farm or home conditions last year, and 197,723 Negro boys and girls were enrolled in 4-H Clubs. Of this number 81,849 were boys and 115,875 were girls; 177,520 were in school and 20,204 were out of school.

Among the problems confronting Negro farmers of the South are poor housing, lack of adequate farm and home equipment, low income, malnutrition, poor soil, unsatisfactory tenant system, and disease. Extension agents are helping to solve these problems by emphasizing better gardens, more chickens, more food and feed, improvement of the soil, and better housing conditions generally. They are also helping to solve health problems through health surveys, clinics, training classes, study groups in first aid, establishment of recreational centers, motion pictures, observance of National Negro Health Week, obtaining the assistance of local doctors and nurses, and studying data from the State Health Department, and demonstrations in building sanitary toilets.

Helping Negro farm families plan for the production of enough food for home use was intensified by Negro extension agents. The agents cooperated with home demonstration club women and parent-teacher associations in the use of surplus commodities for the preparation and serving of foods to school children. In this way protective foods new to many farm people were introduced. A series of such demonstrations, showed that 90 per cent of the women attending were attempting to carry out one or more of the practices taught. Many women who formerly had shunned whole-wheat flour had become educated to its value and were serving whole wheat dishes to their families. Reports show that 120,361 farm families, with whom Negro extension forces worked, canned or otherwise preserved 11,100,923 quarts of fruits, vegetables,

meats, juices, preserves, and other products, valued at \$4,690,277. Labor-saving devices were demonstrated in every state, and families were assisted in making conveniences, such as building wash benches, putting wood boxes on legs, and constructing storage spaces so that stores of canned and staple foods could be removed from beneath beds; and pots, pans, and clothing from nails or hooks along the walls. The Negro state home demonstration agent in Georgia reported that glass windowpanes were put in 3,216 houses, replacing wooden shutters that had to be closed in cold weather, and Negro 4-H Club girls and women in the same state sold \$42,932 worth of produce on curb markets.

The cotton mattress program was continued, placing much responsibility on local leaders, and has proved to be one of the most popular projects with the many groups. One county agent reported that 315 of his people had never slept on a purchased mattress before and most of them, up to the beginning of the cotton mattress program, had slept on straw mattresses.

(a) CAPPER-KETCHAM EXTENSION WORK

Appropriation Act, 1943	\$1,480,000
Budget estimate, 1944	1,480,000

PROJECT STATEMENT

Project	1942	1943 :(estimated):	1944 :(estimated):
Payments to states and Hawaii for	:	:	:
further development of cooperative	:	:	:
agricultural extension work (Capper-	:	:	:
Ketcham extension work)	\$1,480,000	\$1,480,000	\$1,480,000
	:	:	:

WORK UNDER THIS APPROPRIATION

This appropriation provides for the further development of agricultural extension work as specifically authorized by the provisions of the Capper-Ketcham Act of May 22, 1928 (7 U.S.C. 343a, 343b) and supplements the permanent annual appropriation provided under the Smith-Lever Act of May 8, 1914 (7 U.S.C. 341-348). The Capper-Ketcham Act authorizes an appropriation of \$980,000 to be divided at the rate of \$20,000 to each state and to Hawaii, without requirement for state and Territorial offset, and an additional \$500,000 to be divided among the states and Hawaii on the basis of rural population, the allotments from this additional \$500,000 to be met dollar for dollar by the state or Territory before the money becomes available. The Act further provides that at least 80 per cent of the funds appropriated under this authorization shall be expended for salaries of county extension agents and that the extension agents appointed under its provisions shall be men and women in fair and just proportions.

As these funds are merged with all other extension funds for the conduct of the cooperative extension work in each state and in Hawaii, Puerto Rico, and Alaska, in conformity with the provisions of the several acts of Congress governing cooperative extension work and the various state Acts, the particular work under this project cannot be separated and for the combined statement see the preceding general statement for cooperative extension work.

(b) ADDITIONAL COOPERATIVE EXTENSION WORK

Appropriation Act, 1943 \$555,000
Budget estimate, 1944 555,000

PROJECT STATEMENT

Project	1942	1943 :(estimated):	1944 :(estimated):
Payments to states, Hawaii, Alaska, and Puerto Rico for additional cooperative agricultural extension work (Additional cooperative extension work)	\$555,000:	\$555,000:	\$555,000

WORK UNDER THIS APPROPRIATION

This appropriation provides for additional cooperative agricultural extension work in agriculture and home economics to be allotted and paid by the Secretary of Agriculture to the several states and the Territories of Alaska, Hawaii, and Puerto Rico, in such amounts as he may deem necessary to accomplish such purposes. These funds supplement the permanent annual appropriation provided under the Smith-Lever Act of May 8, 1914 (7 U.S.C. 341-348). A separate accounting of these funds is observed by each state and Territory and an annual report of expenditures by lines of work and items of expenditure is submitted to the Federal Extension Service.

For fiscal year 1942 this extension fund had an unobligated balance of \$3,709 after making allotments to 25 states and Hawaii to prevent the curtailment in their programs due to a reduction in allotment from regular extension funds. The allotments from the Bankhead-Jones extension fund for the fiscal year 1942 were distributed to the states and Hawaii on the basis of a preliminary 1940 farm population figure which the Bureau of the Census furnished on a 5 per cent cross section basis. The Bureau of the Census has recently released the final 1940 farm population figures which made it necessary to change the annual allotment of Bankhead-Jones extension fund to each state and Hawaii. For fiscal year 1943 and 1944 this will result in a loss of \$6,672 below 1941 in allotments to 24 states and Hawaii from regular extension funds even though this appropriation is now allotted to these states.

(c) EXTENSION WORK, SECTION 21, BANKHEAD-JONES ACT

Appropriation Act, 1943 \$12,000,000
Budget estimate, 1944 12,000,000

PROJECT STATEMENT

Project	1942	1943 :(estimated)	1944 :(estimated)
Payments to states and Hawaii for cooperative agricultural extension work (Extension work section 21, Bankhead-Jones Act)	\$12,000,000	\$12,000,000	\$12,000,000

WORK UNDER THIS APPROPRIATION

This appropriation provides for the further development of cooperative extension work and is specifically authorized by the provisions of Section 21, Title II, of the Bankhead-Jones Act of June 29, 1935 (7 U.S.C. 343c). It augments the cooperative agricultural extension funds provided by the Smith-Lever Act of 1914, and the Capper-Ketcham Act of May 22, 1928. No state offset is required for the funds under this Act. However, in order to qualify for funds from this appropriation, the states must have met the matching requirements of the permanent Smith-Lever Act, and the Capper-Ketcham Act. Under Section 21 of the Bankhead-Jones Act, \$20,000 is allotted to each state and to Hawaii. The remainder of the funds is then allotted to each state and Hawaii on the basis of farm population.

As these funds are merged with all other extension funds for the conduct of the cooperative extension work in each state and in Hawaii, Puerto Rico, and Alaska, in conformity with the provisions of the several acts of Congress governing cooperative extension work and at the various state acts, the particular work under this project cannot be separated and for the combined statement see the preceding general statement for cooperative extension work.

(d) ALASKA

Appropriation Act, 1943 \$23,950
Budget estimate, 1944 23,950

PROJECT STATEMENT

Project	1942	1943 :(estimated)	1944 :(estimated)
1. Extension of the Smith-Lever Act to Alaska (Act of Feb. 23, 1929) ..	\$13,918	\$13,950	\$13,950
2. Extension of the Capper-Ketcham Act to Alaska (Act of June 20, 1936) ..	10,000	10,000	10,000
Total	23,918	23,950	23,950

WORK UNDER THIS APPROPRIATION

The provisions of the Smith-Lever Act of 1914 and the Capper-Ketcham Act of 1928 were extended to Alaska by special acts of Congress to provide for cooperative agricultural extension work in the Territory, as follows:

Extension of the Smith-Lever Act to Alaska (Act of Feb. 23, 1929): The extension of the Smith-Lever Act to Alaska is specifically authorized by the Act approved February 23, 1929 (7 U.S.C. 386c). Under the provisions of this act, \$10,000 is appropriated annually to Alaska without requirement of Territorial offset, and the remainder must be matched by Territorial funds used for extension work. Experiment stations have been maintained in Alaska for many years but cooperative agricultural extension work was not systematically begun among farmers until 1931.

Extension of the Capper-Ketcham Act to Alaska (Act of June 20, 1936): Funds provided under the Act of February 23, 1929, were supplemented by the extension of the Capper-Ketcham Act to Alaska, as specifically authorized by an act approved June 20, 1936 (7 U.S.C. 343e). Under the provisions of this act, \$2,500 was authorized for the fiscal year 1937, to be increased on recommendation of the Secretary of Agriculture by this amount annually until a total of \$10,000 is reached. The act also provides that the several established judicial divisions of the Territory of Alaska, as the same shall exist, be considered as counties for the purpose of complying with the provisions of the act until a subdivision of the Territory into counties is effected. No Territorial offset is required for any of the funds under the Act approved June 20, 1936.

Examples of Progress and Current Program: As the funds provided under these acts are merged, the statement of progress and current programs includes the work under both.

The Extension Service in the Territory of Alaska is emphasizing the need for increased food production by means of crop diversification and the maintenance of the health of civilians by the improvement of the diet. Extension Service efforts with the farm people are resulting in a steady influence upon the morale of all the inhabitants.

Since most of the farm land is located in the Matanuska Valley, a greater portion of the Extension activities is carried on in this area. Successful farming in Alaska is being built around livestock production with dairying playing the principal role. The homemakers in Alaska are keenly interested in the home demonstration work that is carried on. Nutrition work is important and the health of growing children is being given attention. The problem of the right kind of food for health applies to children and adults in every part of the Territory. In 4-H Club work the production and preservation of food, garden and livestock clubs are emphasized and encouraged,

and girls are given assistance in the canning of vegetables and in the preservation of wild berries and cultivated bush fruits. The Extension Service cooperates with a number of commodity organizations in Matanuska Valley and practically all marketing of farm products is handled through the Matanuska Valley Cooperative Association. In September 1941, the Matanuska Electrical Association was organized in cooperation with the Rural Electrical Association and the valley is now served by electricity. The agricultural agent took an active part in getting this organization completed. Since the Territory of Alaska is dependent to a large degree upon supplies that are shipped from the United States, particularly the West Coast, emphasis must be placed on increased production of livestock, foods, and feed crops.

(e) PUERTO RICO

Appropriation Act, 1943	\$100,000
Budget estimate, 1944	180,000
Increase	<u>+80,000</u>

PROJECT STATEMENT

Project	1942	1943 (estimated)	1944 (estimated)	Increase or decrease
Payments to Puerto Rico for extension of Section 21, Bankhead-Jones Act to Puerto Rico	\$100,000	\$100,000	\$180,000	+\$80,000 (1)

The appropriations authorized and the amounts appropriated to Puerto Rico under the Smith-Lever Act, as amended, and the Act of August 28, 1937, are as follows:

Permanent Specific Appropriation

Act of August 28, 1937

A u t h o r i z a t i o n s

Year			Total
1939	\$95,069	\$88,000	\$183,069
1940	95,069	128,000	223,069
1941	95,069	168,000	263,069
1942	103,315	208,000	311,315
1943	103,315	248,000	351,315
1944	103,315	288,000	391,315
1945	103,315	328,000	431,315
1946	103,315	368,000	471,315
1947	103,315	408,000	511,315

Appropriations

<u>Year</u>			<u>Total</u>
1939	\$95,069	\$45,000	\$140,069
1940	95,069	65,000	160,069
1941	95,069	90,000	185,069
1942	103,315	100,000	203,315
1943	103,315	100,000	203,315
1944	103,315	(Est.) 120,000	(Est.) 283,315

INCREASE

(1) The increase of \$80,000 in this item for 1944 is to carry out the provisions of the Act of August 28, 1937 (7 U.S.C. 343f, 343g), extending the benefits of Section 21 of the Bankhead-Jones Act to Puerto Rico, in order to help increase production in this strategic area, where food shortages exist due to the war.

Objective: To provide for 30 additional technical extension workers in Puerto Rico to augment the present staff of 97 to more adequately reach the large farm population to acquaint them with the necessary war programs and steps toward achieving them, including the production program for Puerto Rico, as an important contribution toward winning the war.

Each county agent is responsible for taking the extension program to approximately 6,000 rural families and each home demonstration agent to approximately 9,000 rural families. This is an impossible load for adequate educational work to meet the present emergency in Puerto Rico, and additional field agents are needed as follows:

(1) Fourteen county agents at a total cost of \$3,000 each, including salary, travel, and clerical expense, to carry out the program with farmers to increase the production of food for the maintenance of the population of Puerto Rico as 40% of total food products are imported from the mainland and boats are not arriving as usual to Puerto Rican ports due to the war activities in nearby waters.

(2) Fourteen home demonstration agents at a total cost of \$2,200 each, including salary, travel, to promote intensive educational programs aimed to correct the deficient diet of the small farmers and farm laborers' families and to improve their homemaking practices, leading to better farm living and a stronger people.

(3) One assistant 4-H Club specialist at a total cost of \$3,200, including salary, travel, and clerical expense, to aid in youth problems.

(4) One cotton specialist at a total cost of \$4,000, including salary, travel, and clerical expense, to aid in the production of long-staple Sea Island cotton for war purposes.

The Problem and its Significance: Puerto Rico holds a very strategic geographical position as a defense outpost for the protection of the United States and the Panama Canal. It is also one of our most important channels for demonstrating a wise and generous colonial and "good neighbor" policy to our South American and Central American neighbor countries.

REDUCED FOOD IMPORTS ENDANGER HEALTH
AND MORALE OF PUERTO RICAN PEOPLE

Enemy submarines have sunk several freighters, thereby cutting off a large percentage of the food supplies formerly imported for the 1,869,000 Puerto Rican people. The most important economic factor in the Island is the density of population, which has doubled since 1898. There are 544 persons per square mile, and only 50% of the land is tillable. More than one-third of the best land is held in large plantations of more than 500 acres. Puerto Rico has an estimated rural population of 1,302,898, or more than 200,000 rural families. More than half of the imports are foodstuffs. The total shipping imports have been reduced in recent months from 110,000 to about 30,000 tons a month.

ESTIMATED ACREAGE AND PRODUCTION OF IMPORTANT FOOD CROPS FOR 1942-43
COMPARED WITH 1939-40, PUERTO RICO

	Census, 1939-40		Estimate for 1942-43		Increase in cuerdas
	Area	Production	Area	Production	
	(cuerdas)*	(cwt.)	(cuerdas)	(cwt.)	(per cent)
Beans	48,363:	192,488:	66,024:	264,096	36.5
Sweetpotatoes	49,565:	1,031,600:	63,449:	1,319,739	28.0
Corn	59,350:	368,110:	79,548:	493,198	34.0
Rice	13,753:	79,156:	23,180:	134,444	68.5
Pigeon peas	34,301:	157,222:	39,540:	181,384	15.3
Yams	8,827:	258,525:	15,041:	440,701	70.4
Taniers	22,080:	427,072:	29,510:	569,543	33.7
Cowpeas	12,373:	50,480:	14,604:	59,876	18.0
Cassava	6,596:	114,014:	8,639:	149,455	31.0
Dasheen	8,426:	212,879:	9,432:	238,630	11.9
Bananas	47,114:	3,964,574:	50,648:	4,259,497	7.5
Plantains	16,775:	1,079,092:	26,165:	1,682,410	56.0
Total	327,523:	7,935,212:	425,780:	9,793,473	30.0

* The effect on food production may be visualized from this table showing an increase of over 30% in food crops. This increase is mainly due to the efforts of the extension field agents in convincing farmers of the lack of maritime transportation and assisting them in producing food products locally.

For the following programs, the Extension Service of Puerto Rico will need 30 additional technical workers to augment the present staff:

(1) During the crop year 1943-44, food production is to be materially increased in Puerto Rico to produce food for the maintenance of the population of Puerto Rico. The Extension Service will inform the farmers of the needs and advantages of producing food crops, will organize farmers to meet the rigors of wartime shortages, and will assist them in establishing depots where food products will be graded and packed, and where buyers of the Agricultural Marketing Administration, the Army, and wholesalers will be able to obtain these products. The Agricultural Marketing Administration and the Department of the Interior with the cooperation of the Extension Service will set up a marketing news service and a distribution program. This will require an intensive educational program in grading and packing. Daily reports will be sent by the field extension agents to the Agricultural Marketing Administration and to Army Headquarters on the amount of available products. Fertilizer will be rationed and distributed by the county agents for the production of food crops and cotton. Extension must help farmers to step up efficiency in food production with the emphasis everywhere on meeting the food goals established by the Department of Agriculture.

As a result of work being done at the Insular Experiment Station a number of different kinds of plants will be available for distribution to growers. This will require careful guidance in order that such plants may be successfully grown. Included in such plantings during the past year were: 61,000 Derris cuttings (source of rotenone); a considerable quantity of Cinchona seedlings; 11,000 plants and cuttings of fruits and vegetables; and over 1,450 pounds of vegetable seed. This year larger quantities of these and other planting materials will undoubtedly be available. Every reasonable effort should be made to insure successful growing of this material on the land.

(2) To an even greater degree than in 1942, an intensive program on conservation of food, especially by means of the drying process, must be fostered by Home Demonstration agents. Nutrition centers must be established in rural communities with the cooperation of the rural women and the Agricultural Marketing Administration. The home production and conservation by farm families of their own food supplies will be emphasized along the lines of nutritional needs.

(3) Because 41% of the rural population in Puerto Rico is still illiterate, and because over 160,000 rural boys and girls do not attend schools, whereas they should be receiving training to make them good citizens, farmers, and homemakers, an educational program is necessary to encourage these rural young people. The Extension Service can enlist rural boys and girls in special war-time activities, and aid in solving youth problems, through the 4-H Club Victory programs.

(4) A definite program for the expansion of the production of long-staple Sea Island cotton has been adopted to obtain the largest amount of the long fiber cotton, 2 inches and over, to be used for the manufacture of cloth for balloons and other war purposes. This will require intensive supervision of the production and marketing of this product.

RELATION OF THE NUMBER OF FIELD AGENTS TO EXTENSION ACTIVITIES

Year	: Field Agents*	: Farm and Home Visits	: Office Calls	: 4-H Club Enrollment
1935	: 39	: 19,553	: 12,362	: 654
1936	: 55	: 27,894	: 17,418	: 1,172
1937	: 55	: 36,459	: 24,641	: 2,342
1938	: 83*	: 54,993*	: 84,718*	: 3,567*
1939	: 88*	: 80,758*	: 96,509*	: 4,979*
1940	: 91*	: 88,571*	: 128,105*	: 7,265*
1941	: 63	: 69,903	: 107,706	: 8,184

* During the years 1938, 1939, and 1940, the Puerto Rico Reconstruction Administration assigned special funds to the Extension Service for additional field personnel. The increase in personnel during those years had a direct effect on all activities. The number of rural families receiving instruction and information, and participating in all agricultural programs greatly increased. In 1941, when the Puerto Rico Reconstruction Administration was not able to assign the funds to the Extension Service, all activities decreased.

(2) Salaries and Expenses

(f) ADMINISTRATION AND COORDINATION OF EXTENSION WORK

Appropriation Act, 1943	\$646,458
Proposed transfers in 1944 estimates to	
"Salaries and expenses, Library"	<u>-5,100</u>
Total available, 1943	641,358
Budget estimate, 1944	<u>638,843</u>
Decrease (travel funds returned to surplus)	<u><u>2,515</u></u>

PROJECT STATEMENT

Project	1942	1943 (estimated)	1944 (estimated)	Increase or decrease
1. General administration and and business service	\$117,375	\$114,243	\$114,248	- -
2. Review and analysis of state budgets, projects, plans and examination of state expendi- tures from Federal payments	59,372	66,140	66,140	- -
3. Planning and coordination of state and county extension work	112,886	117,420	117,420	- -
4. Development of technical subject matter for use by state extension forces	158,029	162,480	162,480	- -
5. Field studies of extension work, and the training of extension workers	79,988	80,770	80,770	- -
6. Preparation and distribu- tion of visual material and extension literature to Department and state exten- sion forces	83,345	97,785	97,785	- -
Covered into Treasury in accord- ance with Public Law 674	- -	2,515	- -	-\$2,515
Unobligated balance	23,701	- -	- -	- -
Total estimate 1944 and com- parable amounts, 1943 and 1942	634,696	641,358	638,843	-2,515

WORK UNDER THIS APPROPRIATION

Objective: To represent the Department in the administration, through the state agricultural colleges, of the nation-wide system of cooperative extension work in order that it may function nationally, as well as on a state and local basis, as an effective educational force to help every rural family.

The Problem and its Significance: The objectives and obligations of the Extension Service are dependent upon the objectives of agriculture itself. The vital need for the immediate mobilization of agricultural resources for the production and distribution of food and other farm commodities will require the most searching and extensive consideration by all scientific and technical authority available. In this, the Department is devoting its best efforts to measuring the total war requirements for American farm products, to shaping general policies to assist farm families in meeting those requirements, and to participate the wartime needs of farm people as an entire group. The Department's 1943 wartime program of record food production goals for the American farmers, calls for the largest output of food in the country's history to meet military, lease-lend, foreign relief and domestic requirements. This is a tremendous responsibility, since about a million and a half workers have left farms during the past year and there is a shortage of materials and equipment.

In order to develop to the fullest the contribution rural people are making, and to obtain the greatest participation on their part, an effective, quickly-responsive, nation-wide educational medium is required through which to inform rural people concerning the Department of Agriculture programs and to secure their complete cooperation in food production and other war programs. The Department of Agriculture, and the 48 States, Hawaii, Alaska, and Puerto Rico, through their state agricultural colleges, assume responsibility for, and give technical and administrative guidance to the work necessary to help every rural family carry the wartime policies into action.

Because the subject-matter research of the Department is larger in volume than the combined research of all the state colleges and experiment stations, and because large agencies have been established within the Department to provide financial aid to assist farmers with the solution of specific problems, the Federal Extension Service has an important contribution to make to the subject-matter content and conduct of Federal-state cooperative extension programs to aid farm people carry wartime policies and programs into action.

General Plan: In order to meet these problems, it is necessary to:

1. Administer the various acts of Congress relating to extension work. This involves analyzing budgets, programs and plans of work, and suggesting revisions to the states; field visits and follow-up work throughout the year to make certain that projects are conducted as agreed upon; and competent examination of the accounts of the various state and territorial extension services after the close of the fiscal year to determine if expenditures have been made in accordance with the law.

2. Generally supervise the work of 3,844 county agricultural agents, 2,183 home demonstration agents, 336 club agents, 521 Negro agents, and 628 state and national supervisors, which center in and clear through the Federal Extension Service, and to maintain central direction in order that national standards and principles in organizing and conducting extension work on the county level be followed throughout the country. As the Extension Service performs much of its educational work with rural people through voluntary local leaders, this voluntary organization had to be expanded so that information on the various phases of Agriculture's wartime program could proceed quickly to states, counties, and communities. Involved is the training of the agents to set up and maintain a network of voluntary neighborhood leaders for work of value to the war effort. This results in making more efficient extension work with farmers, farm women, rural homemakers, and rural boys and girls.

3. Provide for the channeling to the 1,686 state subject-matter specialists, and through them to the county workers, the results of Department research, and the services of Department agencies of practical assistance to farm people. The county extension agents depend upon the state extension specialists in the various fields of agriculture and home economics, and the state extension economists in marketing and farm management, for subject matter and economic information and guidance in solving farm problems. The state specialists in turn are dependent upon the Federal extension subject-matter specialists and economists who serve as liaison between the several agencies of the Department and the colleges, and act as leaders in developing subject matter and economic educational programs on a regional basis. There is hardly a phase of farm and home life on which extension workers are not assembling, organizing, and disseminating sound agricultural facts--facts required by farm people to enable them to give maximum contribution at this time.

4. Conduct field studies and personnel training activities to make extension work meet, more effectively, wartime needs. In a decentralized educational system, such as the cooperative extension service, it is exceedingly important that a continuous program of field studies be conducted to determine the effectiveness of organizational structures, programs, and methods, and provide a factual basis for improving procedures and techniques. It is equally important that the new field personnel be given suitable training upon induction into the service and that the older workers be kept abreast of subject-matter research and current social and economic developments and be informed and practiced in the best known methods of conducting extension work with farmers, homemakers, and 4-H Club and Older Youth. The turnover in male personnel has jumped from the normal 6 percent to 18 percent during the year, and female personnel from 13 to 15 percent, creating a massive problem of selecting and training new workers.

5. Develop and effectuate a program of visual and information aids which interpret and support the Department's wartime program for local adaptation and educational use by state and county extension workers, and to teach and assist state and county extension workers to plan and carry forward their own wartime educational programs, utilizing such teaching and informational media as publications, radio, newspapers, circular letters, slidefilms, photographs, charts, and the like. Each war program concerning rural people requires the preparation and wide distribution of specific information and educational aids.

Examples of Progress and Current Program: Progress and current programs relating to the Federal administration and coordination of the cooperative extension work carried on by the 48 States, Hawaii, Alaska, and Puerto Rico, are described under the following projects:

General Administration and Business Service: The Director of Extension has served on the U. S. D. A. War Boards and he and his assistants are serving on many essential committees in connection with the agricultural war effort and the interpretation of plans and policies of the Office for Agricultural War Relations, the War Production Board, Office of Price Administration War and Navy Departments and other Federal war agencies. The proper administration of extension work is of great importance to the success of extension wartime jobs in view of the responsibility which has been placed on extension workers to carry on the general educational work in agriculture and home economics. An assistant to the director of extension work in war programs was added to the staff to keep the state and county extension workers quickly informed on new developments in the war effort and to aid them in interpreting these developments into extension action. Changes have been made in the general business operations in order to increase its efficiency and production. More study is being given to the division of the work load throughout the Extension Service with a view to relieving the higher administrative officials of details by delegation of functional authority.

Review and Analysis of State Budgets, Projects, and Plans, and Examination of State Expenditures from Federal Payments: The state extension accounts have been examined to insure that all cooperative extension funds have been spent by each state and territory in accordance with Federal laws and agreements between the United States Department of Agriculture and the state extension services, including approved plans and projects. The staff assigned to this project, through the review, analysis and improvements of state budgets, projects, and plans, and the examination of state expenditures from cooperative extension funds, helps to concentrate the work of the entire staff on war work and to insure the most economical use of extension funds for the work contemplated by Congress and the war work assigned by the Secretary of Agriculture and authorized under the Smith-Lever Act.

Planning and Coordination of State and County Extension Work: The county extension agents are the workers who translate programs into action, organize people and carry out the educational work to assure understanding and participation. The technical staff by means of quick visits to the states, conferences, and giving out illustrative and instruction material, operates effectively in carrying to the State Extension Services important needed activities and helps them to develop quickly their organization and educational materials and procedures so that they rapidly get to work on the farm and home level. Some 750,000 local volunteer leaders are assisting these county agents in advancing their extension programs.

The results already obtained in giving supervisory aid to states in establishing, maintaining, and improving the organizations and program planning procedures followed in conducting extension work with men, women, boys and girls, and older youth in the counties in such activities as Victory Gardens,

the Control of the Cost of Living, Fire Protection and Control, Scrap Material Collection, War Bond and Stamp Sales, Food for Freedom Needs, and other national war programs indicate that a significant educational and action obtaining force has been developed.

Under the direction of this staff, a system of 650,000 neighborhood leaders has been organized and trained to contact every rural family with important wartime information within a few days. The coverage of rural people obtained by this method has resulted in wide enlistment of sympathetic support of the mass of rural people in work of value to the war effort. Most important, it provides a means of organizing rural people so that they may effectively participate in the war. The entire program has been changed in order to meet problems of adjustments in farming and homemaking.

Cooperation with the U.S.D.A. War Boards, State Defense Councils, Women's Service Organizations, State War agencies and programs, and many other agencies of the Federal Government, is sought and developed.

In addition to attending working conferences of a regional nature, the members of the staff made 326 visits to the states during the last fiscal year, an average of 7 visits to the state. Victory garden programs were set up in every state and through instructions and demonstrations it was possible to reach the goal of 5,760,000 farm gardens. Greater emphasis was given in rural nutrition and health programs. The national 4-H mobilization week, and the 4-H Victory programs received their direction from this office.

Development of Technical Subject Matter for Use by State Extension

Forces: Under this project, the staff develops cooperative programs between the Extension Service, and bureaus and agencies of the Department, to provide state and county extension forces with results of research and significant information regarding national programs for agriculture. The work is divided along the following lines of activity:

(a) Educational work of the subject-matter specialists has been directed toward adapting technical subject matter in agriculture and home economics to the needs of rural people, to make available all helpful scientific knowledge to meet war needs. The subject matter promotion of the Food for Freedom program was the most important accomplishment this past year, including repeated follow-up to assure reaching the production goals set for lend-lease and war use, and related programs for the repair and effective use of farm machinery, insect and disease control, Victory gardening, nutrition and health, and emergency storage of grain. Twenty-one specialists carried the war program of 10 agencies and bureaus of the Department to 1200 extension subject-matter specialists in the 48 States, Alaska, Hawaii, and Puerto Rico. Educational material to promote production of the food, feed, fiber, oil, and other agricultural products required to win the war was organized from the Department, bureau and agency sources and transmitted to state extension workers through 16,000 letters, 550 state visits (an average of one visit per month for each state), and preparation and distribution of 325 items of USDA and other Federal material available for extension use.

Members of this staff also served the Office for Agricultural War Relations and the USDA War Board on more than 27 interbureau committees developing facts and procedures relative to the war goals and war needs of agriculture and adjustments of rural living. They also worked on 29 general extension or agricultural interbureau or interdepartmental committees, and are members of over 30 extension committees of scientific and technical associations. This changing list of about 100 committee contacts enabled this staff to look ahead from six months to two years in preparing programs to meet farm and national needs.

War subject matter was furnished for the Federal extension leadership in cooperation with the action agencies and scientific bureaus concerned with agricultural production, conservation of agricultural resources, use of farm equipment and facilities, use of fertilizers, insecticides, fungicides and other scarce supplies, and home economics, to supplement the tasks of state and county USDA War Boards with appropriate Extension Service subject-matter programs. Materials were also prepared for special Extension Service war tasks, including - Nutrition and Health, Food for Freedom, Vegetable Gardening, Farm Machinery Repair, Salvaging Critical Materials, Seed Production, Food Conservation and Storage, Grain Storage, Distribution of Critical Materials and Rationing, Insect Control, Plant Disease Control, Rural Fire Prevention and Control, Special Crops for War Use, Conservation of Critical Soil Areas, Home Management, Woman and Farm Labor, Rural Recreation, and Training Volunteer Leaders for care of Children in Emergencies.

(b) Educational work in economics extension has been directed toward accomplishing the following objectives to develop an understanding among farm people of the economic problems caused by the war and apply agricultural economic and marketing information to the solution, and to incorporate economic principles and practices into state extension programs to meet rapidly changing needs:

1. Stabilizing prices and preventing inflation.
2. Conserving transportation facilities.
3. Operating farms at peak efficiency.
4. Attaining an adequate labor supply and efficient use of labor in production, distribution, and marketing.
5. Providing farmers with current economic information as a guide to their production and marketing activities -- prices, priorities, supplies, and the like.
6. Making adjustments to changed conditions in packaging, market requirements, facilities, and the like.
7. Making fuller use of existing food-processing facilities.
8. Making wise and full use of farm credit.
9. Analyzing and weighing production, distribution, and marketing opportunities as a basis for future food programs.
10. Conducting special marketing programs, such as shearlings for the air force, victory food specials, and spreading the hog marketing season.
11. Stressing the need, prior to the harvesting season, for additional storage facilities.
12. Assisting farmers' cooperatives to render needed services to members.
13. Developing merchandising programs with farmers and trade representatives.
14. Developing plans and procedures for relocating farm families.
15. Preparing for meeting post-war readjustments.

Methods used to accomplish these objectives include:

1. Reviewing and assisting in adjusting state plans of work.
2. Establishing liaison between A.M.A., B.A.E., F.C.A., and state extension economists.
3. Cooperating with action agencies regionally, and with state extension economists.
4. Conducting training schools in economics and marketing background.
5. Providing information on and suggesting procedures for carrying on programs in food production and rural welfare.
6. Exchanging state materials on methods and subject matter.
7. Providing information and educational materials direct to states.

Field Studies of Extension Work, and the Training of Extension Workers:

A scientific staff makes studies of organization structures, administrative procedures, and teaching techniques to provide a basis for increasing the effectiveness with which 9,150 cooperative professional employees located at the 51 state agricultural colleges and in more than 3,000 counties, conduct their work. Objective data on progress and accomplishments are useful in readjusting programs and plans. Induction and in-service training activities tend to promote a field staff skilled in the execution of both long-time and emergency programs.

During the year, field studies were conducted in 34 states, results of studies presented to district and state-wide conferences, advice given on extension problems, personnel training activities planned, courses given, and the new neighborhood leader system outlined and its effectiveness checked.

Field studies underway at the outbreak of the war have been concluded rapidly and the work under the project shifted to problems and activities connected with Agriculture's wartime programs. Results of studies of the organizational structure, administrative procedures, and teaching techniques provide objective data invaluable in readjusting programs, plans, and procedures. Drawing on their experience in studying voluntary local leadership, the scientific staff took the lead in outlining a comprehensive, yet relatively simple, plan for a direct line personal contact system from the Secretary of Agriculture through more than 1,000,000 neighborhood leaders of the Cooperative Extension Service to 13,000,000 rural families. The neighborhood leader system was launched at a National Conference on Voluntary Local Leadership held in March 1942, and has already been generally accepted and put into operation by all states.

Studies of the effectiveness of the new neighborhood leader system conducted in four states during May and June prove conclusively that a man and a woman voluntary leader in each neighborhood of 10 to 20 families will accomplish approximately complete coverage of all rural families, and obtain satisfactory response in terms of desired action. A continuous program of small, quick studies will be necessary to insure strengthening of weak spots and the proper servicing of the voluntary leaders.

Five hundred twenty-three extension employees from 44 states and 1 territory attended the special summer session training courses given at 18 institutions during the summer of 1941. An Institute of Administrative Management was attended by 56 of the state administrative and supervisory officers during the summer of 1942. This will be exceedingly helpful in promoting the efficient organization and handling of wartime programs assigned the Extension Service.

Preparation and Distribution of Visual Material and Extension Literature to Department and State Extension Forces: The 9,000 field workers of the Extension Service have been quickly informed of wartime developments and needs affecting agriculture and supplied with supporting educational material and suggestions to carry out the assignment as the general educational agency of the Department. The basic information and supporting material supplied to extension workers is passed on by them at state and county levels through 500,000 volunteer neighborhood leaders, by newspapers, radio, visual aids, and other educational media to each rural family in the country. Each war program concerning rural people -- need for rationing, controlling the cost of living, "Food for Freedom", nutrition, Victory Gardens, rural fire-control, conservation and salvage of scarce materials--requires the preparation and wide distribution of specific information and educational aids. Personal contact was made with most of the state extension workers who deal with news, radio, visual materials, and publications to help them adjust their plans of work to wartime. The Extension Service Review was prepared and distributed monthly to the field staff to keep them informed of agriculture's programs and effective techniques of informing rural people about them. Strict economies were adopted in the printing and format of the Review. Six manuals of visual aids were prepared for adaptation and use by state and county offices, in addition to 16 new and 10 revised slide films, 68 posters, and 680 charts, graphs, covers, maps, etc. Nine printed publications were prepared or edited for use of field workers. Duplicating jobs (administrative and policy letters, instructions, news, radio, and subject-matter materials) representing about 5 1/2 million pages were prepared, edited, processed, and distributed. To meet 23,450 requests, about 5 1/4 million printed and 150,000 duplicated Department publications were distributed to extension workers. Twenty-four radio programs were prepared and broadcast on national networks in cooperation with the states. Information on extension programs was given to about 50 national magazines and newspapers at their request. About 6 suggested news and radio flashes were sent each week to state extension editors to be adopted for use in local educational programs.

COOPERATIVE AGRICULTURAL EXTENSION WORK

(Permanent Annual Smith-Lever Appropriation)

Permanent Appropriation, 1943 \$4,704,710
 Budget Estimate, 1944 4,704,710

PROJECT STATEMENT

Project	1942	1943 (estimated)	1944 (estimated)
Payments to states, Hawaii, and Puerto Rico for cooperative agri- cultural extension work (Smith- Lever Act)	\$4,704,710	\$4,704,710	\$4,704,710

WORK UNDER THIS APPROPRIATION

This permanent specific appropriation for cooperative agricultural extension work was provided for under the Smith-Lever Act, approved May 8, 1914 (7 U. S. C. 341-348), as amended by the extension of this Act to the Territory of Hawaii by the Act of May 16, 1928 (7 U. S. C. 386-386b) and to Puerto Rico by the Act of March 4, 1931 (7 U. S. C. 386d-386f). Under the provisions of these Acts, \$10,000 is appropriated annually to each state, Hawaii, and Puerto Rico without requirement of state or territorial offset, and the remainder of the appropriation is distributed on the basis of rural population. The Smith-Lever Act is the basic act under which cooperative extension work is conducted by the Department and state colleges of agriculture.

SUPPLEMENTAL FUNDS

(Not otherwise explained)

There appears in the Department of State section of the Budget a schedule showing estimated obligations for fiscal year 1944 under the heading "Cooperation with American Republics" reflecting a proposed transfer to the Department of Agriculture for intern training of South American trainees in agricultural extension work.

Direct Allotments

Project	Obligations 1942	Estimated obligations, 1943	Estimated obligations, 1944
<u>Conservation and Use of Agricultural</u>			
Land Resources: For special assist-			
ance on projects incident to the agri-			
cultural conservation and adjustment			
program	\$25,851	\$8,920	\$5,920
<u>Salaries and Expenses, Agricultural Ad-</u>			
justment Administration: For tech-			
nical and clerical assistance on			
agricultural adjustment programs	21,813	--	--
<u>Exportation and Domestic Consumption of</u>			
Agricultural Commodities: For assist-			
ance in connection with requirements			
of the Agricultural Marketing Admin-			
istration	1,611	11,343	8,000
<u>Cooperative Farm Forestry:</u>			
Cooperation with states for extension			
activities in developing farm fores-			
try:			
Under Clarke-McNary Act, Section 5	62,312	65,100	65,100
Under Norris-Doney Act	39,422	41,739	41,739
Total	101,734	106,839	106,839
<u>Working Fund, Agriculture, (Reclamation</u>			
Fund, Special Fund): For special			
assistance on reclamation projects of			
the Interior	8,870	9,500	14,500
TOTAL, SUPPLEMENTAL FUNDS (Direct			
allotments)	159,879	136,602	135,259

** Transfers totaling \$115,377 (a net decrease of \$83,400 below 1943 due to suspension of flood control activities) will continue to be made in 1944 from authorizations as follows:

Appropriations from which transfers will continue to be made in 1944	1943	1944	Increase or decrease
Administrative expenses, Commodity Credit Corporation	\$62,933:	\$62,933:	--
Federal Farm Mortgage Corporation	52,444:	52,444:	--
Flood control, general	83,400:	--:	\$-83,400
Total	198,777:	115,377:	-83,400

PROJECT STATEMENT

Project	1942	1943 (estimated)	1944 (estimated)	Increase or decrease
1. Economics of production	1,340,378	1,092,530	1,092,530	--
2. Prices, income and marketing	593,474	540,000	540,000	--
3. Farm population and man-power	444,379	378,190	378,190	--
4. Program analysis and service	321,440	281,893	281,893	--
5. State and county land-use planning	613,175	--	--	--
6. Flood control, general	323,015	83,400	--	-83,400 (1)
Covered into Treasury in accord- ance with Public Law 674	--	29,570	--	-29,570
Unobligated balance	119,644	--	--	--
Total, available funds	3,755,505	2,405,583	2,292,613	-112,970
1941 appropriation obligated in 1942	-168,358	--	--	--
Continuing transfers from other appropriations	-264,657	-198,777	-115,377	--
Total estimate 1944 and com- parable amounts 1943 and 1942	3,322,490	2,206,806	2,177,236	--

The net decrease of \$112,970 in total available funds for this item consists of \$29,570 decrease in travel funds (returned to surplus in 1943) and:

(1) A decrease of \$83,400 under the project Flood control, general. This project is financed from funds transferred to the Department of Agriculture from the War Department. The work on preliminary examinations and surveys will be discontinued by the close of the fiscal year 1943, and it is not anticipated that any allotment will be made during 1944 for this type of activity.

CHANGES IN LANGUAGE

The estimates include proposed changes in the language of this item as follows (new language underscored, deleted matter enclosed with brackets):

[Salaries and expenses] Economic investigations: For acquiring and diffusing useful information among the people of the United States, for conducting investigations, experiments, and demonstrations, and for aiding in formulating programs for authorized activities of the Department [of Agriculture], relative to agricultural production, distribution, land utilization, and conservation in their broadest aspects, including farm management and practice, utilization of farm and food products, purchasing of farm supplies, farm population and rural life, farm labor, farm finance, insurance and taxation, adjustments in production to probable demand for the different farm and food products; land ownership and values, costs, prices and income in their relation to agriculture, including causes for their variations and trends, [including the employment of persons and means in the District of Columbia and elsewhere, either independently or in cooperation with public agencies or organizations, \$528,798] \$2,177,236, together with such amounts from other appropriations or authorizations as are provided in the schedules in the Budget for the fiscal year [1943] 1944 for such salaries and expenses, which several amounts or portions thereof, as may be determined by the Secretary, not exceeding a total of [\$2,178,372] \$115,377 shall be transferred to and made a part of this appropriation[, of which total appropriation not to exceed \$1,893,928 may be used for personal services in the District of Columbia, including the salary of the chief of bureau at \$10,000 per annum]: Provided, however, That if the total amounts of such appropriations or authorizations for the fiscal year [1943] 1944 shall at any time exceed or fall below the amounts estimated, respectively, therefor in the Budget for [1943] 1944, the amounts transferred or to be transferred therefrom to this appropriation and the amount which may be expended for personal services in the District of Columbia shall be increased or decreased in such amounts as the Director of the Bureau of the Budget, after a hearing thereon with representatives of the Department, shall determine are appropriate to the requirements as changed by such reductions or increases in such appropriations or authorizations: [Provided further, That in addition the Secretary may, subject to the approval of the Director of the Bureau of the Budget, transfer to this appropriation for the purpose of administering and performing the functions of the Division of Agricultural Statistics of the Agricultural Marketing Service, such sums as he may determine necessary from other appropriations available to the Department:] Provided further, That no part of the funds herein appropriated or made available to the Bureau of Agricultural Economics shall be used for State and county land-use planning.

The Budget provides for a new subappropriation title "Economic investigations" under "Salaries and expenses."

Since the work under the subappropriation "Crop and livestock estimates" was transferred to the Bureau of Agricultural Economics from the Agricultural Marketing Administration by Executive Order 9069, it is necessary that the language be transferred in the Appropriation Act. The item is, therefore, transferred in its entirety to "Salaries and expenses, Bureau of Agricultural Economics." Because of this transfer it will be necessary to insert the title "Economic investigations" to designate the work which has heretofore been the only item under "Salaries and expenses, Bureau of Agricultural Economics."

The language covering the limitation on personal services has been eliminated at this point and the limitation transferred to a new paragraph covering the total appropriation of the Bureau.

The language providing for the transfer of funds for the Division of Agricultural Statistics has been eliminated since the funds previously transferred under this authority are being estimated for under the subappropriation for "Crop and livestock estimates, Bureau of Agricultural Economics."

WORK UNDER THIS APPROPRIATION

Objective: The objective under the subappropriation "Economic investigations" is to conduct research on the economic and social problems of agriculture, and to assist in the integration of such research with the formulation and development of programs authorized by Congress for the adjustment of agricultural production and maintenance of adequate supplies, establishment of price ceilings, differentials and subsidies, improvement of farm income, rehabilitation of farm families in need, conservation and wise use of soil and forest resources, crop insurance, strengthening of agricultural credit facilities, extension of farm ownership and improvement of tenure, and improvement of the marketing and distribution of farm products.

The Problem: The war needs have necessitated sweeping changes in agriculture and in farm programs to insure adequate wartime production. As a consequence, there is now an unusually great demand for data and analytical work provided by this Bureau. In meeting this demand, the Bureau provides factual bases and analyses for the adjustments in agriculture to meet wartime needs, and for administrative action in reference to programs of the Department, the War Production Board, Office of Price Administration, Man Power Commission, and other agencies that formulate and administer programs bearing on the agricultural economy. It is necessary to furnish information concerning the economics of production, manpower needs of agriculture, and the potential and economically feasible production capacity of farms, both individually and collectively. Research is called for to determine the adequacy of marketing and transportation facilities, and to determine ways of applying rationing with minimum disruption to marketing agencies. Many inquiries are received on the possibilities for more efficient use of labor, equipment, and other vital materials. In these activities, the Bureau's staff is confronted with numerous new problems requiring the assembling of new data and further analysis of existing information.

Examples of Progress and Current Program: The work under this subappropriation will be discussed under four main projects as follows:

- (1) Economics of production
- (2) Prices, income and marketing
- (3) Farm population and manpower
- (4) Program analysis and service

Economics of Production: Work on economic problems of production has, by necessity, been intensified. Fortunately, the Bureau has been engaged for years in the collection and analysis of facts concerning agricultural production -- basic material in the present crisis.

Several studies of area and regional farm adjustment were undertaken before war broke out in Europe. The results of these studies were presented late in 1940 in a statement, "Regional Adjustments to Meet War Impacts." During the following year, a Nation-wide project was inaugurated to get a more specific basis for these regional adjustments, and seven regional reports were developed showing, by type of farming areas, (1) the kind of adjustments to war impacts farmers were likely to make, (2) the obstacles that might prevent adjustments of the type most desired in the defense effort, (3) the changes that would be desirable for the 1943-45 period and over a longer time.

This phase was completed in the fall of 1941 when National production goals were devised as a means of giving direction to the food program for 1942. As National totals, the goals had little direct meaning to farmers. As a first step in determining specific jobs for each of our 6 million farmers, this Bureau was assigned leadership in a suggested distribution of goals, item by item, among the states.

Meanwhile the Bureau was helping to prepare answers to many administrative questions concerning the need and possible allocations of scarce materials including farm machinery and labor. After the United States entered the war, all this work became of vital importance, since new and dangerous shortages were apparent. An obvious task faced agricultural leaders, namely, carrying the farm job in spite of competing demands for scarce materials.

In this difficult task, many serious problems were raised, many basic facts were needed. What was our farm capacity to produce critical war commodities and how could it best be utilized in view of actual and potential shortages of production materials?

The production capacity basis for production goals for 1943 and their attainment became an interbureau job in which the Bureau of Agricultural Economics became the technical leader. This work, as well as several other jobs, has been fitted to a program which includes the following: (1) Area distribution of production goals and problems of their attainment, (2) production of critical commodities, (3) labor requirements of agriculture, (4) economic problems of agricultural technology, (5) production costs and returns, (6) income by types and sizes of farms, (7) the small farm, (8) wartime changes in our farming pattern.

In March 1942 Secretary Wickard said:

"The Department is sponsoring the greatest production program in the history of American agriculture. As a means for giving direction to this program we announced last fall production goals for 1942 for all essential farm commodities. The increasing intensity of our war effort is forcing periodic revision of the quantities of food and fiber that must come from our farms in the months and years ahead. Each day it becomes increasingly important that we have more complete information on ways and means for obtaining maximum production from our agricultural plant. We need not only maximum production, but also direction of production to those products most needed in the war effort.

"Consequently, I have requested the Bureau of Agricultural Economics to assume the responsibility, through appropriate interbureau committees, for the general planning needed to bring about the most effective use of our total agricultural resources in the war effort. An immediate part of that job is to study the distribution of our 1942 goals as a basis for recommending ways and means by which more effective use can be made of our agricultural resources in the future. Work along these lines should provide an inventory of our production capacity and also a basis for distributing future production goals among different areas in such a way that all farmers can make their maximum contributions to the Food-for-Freedom Program ****."

The past year has increased the pressure on farmers for increased production for the war effort. Farmers will adjust agricultural production in line with the needs of the Nation, provided they can get the necessary labor, fertilizer, and other supplies.

To give this assurance, the Government and agricultural leaders need to know the potential capacity of these farms to produce and the feasibility of using that capacity; the effect on farming operations of shortages in labor, equipment, and other materials of production; the possibilities of increasing efficiency in the use of scarce items; and many other problems of farm production. All emergency requests for such information (typified by production goals distribution, farm machinery estimates, and farm labor estimates of the past year) can be met more quickly and more accurately if we have a definite program aimed to provide the needed information.

During the past summer, the Bureau has given major attention to gathering the pertinent information covering agriculture's capacity to produce, and to work with other agencies in translating the data into administrative programs. A report was made by an Interbureau Committee to the Secretary in August on "Agriculture's Wartime Production Capacity" and in November a preliminary statement was distributed to the Department of Agriculture War Boards throughout the United States on tentative 1943 State Food Production Goals. In making this announcement, Secretary Wickard stated in part as follows:

"Planning for 1943 farm production places a tremendous responsibility upon all of us. Skilled farm workers will be fewer than in

1942. Many kinds of supplies and services will be increasingly difficult to obtain. We cannot count upon as favorable growing and harvesting conditions as in 1942. In spite of all of these limitations the needs for agricultural products as expressed by the minimum goals indicated in the attached report are even greater than during the current year. The challenge to American farmers has no precedent.

"In the attached report tentative production goals and suggested acreages and production for 1943 are summarized and suggested State and regional distributions of these indicated. The goal commodities are those for which it is desired to maintain production at the highest possible levels. At least these levels of production are necessary if American agriculture is to make its best contribution to the successful prosecution of the war. The suggested acreages and production are for commodities for which supplies are relatively ample or which are not as essential to the war program. These complete the list of principal agricultural products and will facilitate balancing of crop and livestock production in each State.

"I asked each State War Board to assemble data needed to distribute State goals among counties.. I cannot emphasize too strongly that your continued efforts are needed if a well-balanced agricultural production is to be developed for 1943."

As a basis for the enlarged production program, it has been necessary to gather much additional information, to make rapid surveys, and to make many statistical analyses. For example, studies have been made of the trends in crop yields for many of the important crops, and of the effects on crop yields of changes in cropping practices.

It has been shown that average crop yields in the United States, chiefly as a consequence of the forces of soil depletion, experienced a gradual, steady decline from about 1905 to the middle years of the 1930 decade, falling at the rate of one-third of 1 percent per year, and culminating their decline in the drought years of 1933 to 1936. But throughout the last years of the 1930's yields have recovered rapidly and have reached levels that previously had never been attained. The attention given to soil conservation methods, partly under Government sponsorship, together with favorable growing conditions, have been credited as major causes of the recent high yields, but the extent to which each is the causal factor, and the probability that recent yields will be maintained, are questions that complicate the problem of planning for agricultural goals.

The work of the Bureau has shown that marked regional shifts in production will be necessary in bringing about the increased production of agricultural products to meet war requirements in 1943, and assistance will be given to farmers in making these readjustments. For example, the greatest increases in the production of corn and hogs are expected in the western part of the Corn Belt. Substantial increases are sought also in the Mountain and Pacific States. There should be increased production of poultry and eggs in all states, and states bordering the lower Mississippi are expected to register the greatest increases in milk.

Food requirements: Many specific projects requiring immediate action have claimed the attention of the Bureau during the past year. The effect of increasing employment upon the purchasing power of domestic consumers and that, in turn, upon the demand for many foods, early became a very important matter in determining food requirements. The available data and analyses indicating the effect of increased industrial payrolls upon the demand for farm products, particularly meats, and an analysis of the relation of income-size distribution to consumption of or demand for farm products were used by the Bureau to determine what quantities of important foodstuffs would be consumed in the domestic market at current or probable prices. Adding the expected lend-lease and foreign market requirements to what the domestic market would take provided a basis for developing programs with reference to livestock and other food production on one hand and foreseeing difficult distribution and price problems for some products.

Early in the food program, it became necessary to readjust national dairy production to meet war requirements. In particular, it was necessary to obtain more cheese and evaporated milk to be shipped abroad. An analysis of the current price relations made by the Bureau indicated that the requirements could be obtained by developing a program which would result in increasing the prices of cheese and evaporated milk in relation to butter prices. This was a basic contribution to the achievement of dairy production goals.

Shortage of fats and oils: In the course of the year, a critical situation developed in regard to the vital supply of fats and oils. The Bureau, however, had accumulated data which made it possible to analyze supplies and requirements to indicate specifically how the war would affect supplies from foreign sources, and to estimate the special needs of the war programs. This analysis pointed to the need of increasing oil crop production, particularly of crops such as soybean and peanut. It also pointed to the need of conserving the available supplies of some oils especially needed now. This analysis of supply and demand conditions with reference to the several products which were needed in greater quantities provided the basis for the development of price and marketing support programs.

Records of war administration: This Bureau is cooperating with the Bureau of the Budget and other agencies on the maintenance of suitable records of the growth and organization of war agencies and their administrative development. The small staff assigned to this work is making a careful selection of those documents, memoranda, and other materials which contain data essential to the record of work of the Department of Agriculture during the war period. It is also encouraging officials to make proper records of conferences and significant conversations which develop agreements, policies or other actions, and is obtaining, by interview or otherwise, information necessary to supplement written records or explain public action. Since the chief aim of the project is to aid in present administrative efforts, provision is being made for the preparation of analytical reports on the various war functions of the Department.

It is believed that the maintenance of adequate records will be of great value in providing a clearer insight into problems of public management. It has been a matter of regret that the data available concerning administration in World

War I has been so inadequate. As one consequence, the recollections of some of the principal persons involved some 25 years after the event have been the source of information on many points which are not covered by available records. The extent to which the war records are being currently consulted amply demonstrates the pertinence of factual data of the last war for administrative problems today. National Archives has urged that more attention be given to our present records in order to avoid the document losses of World War I.

Agricultural adjustment in the post-war period: Plans for the orderly readjustment of agricultural production must be formulated if the shift from a war to a peace economy is to be made effectively, and if long-range welfare goals are to be achieved. The Bureau is appraising the problems of adjustment, both those that will arise at the close of the war, and those of longer run significance. Economic and social implications of required changes are being considered with particular reference to the development of alternative programs of action.

If it is assumed that the National economy will operate at a level maintaining full employment, most efficient utilization of all agricultural resources, including labor, will be imperative. An analysis of the 1940 census data and of information on current changes in agricultural production has been undertaken to provide a basis from which problems likely to exist at the close of the war can be forecast. Volume of production and yields of various critical crops and data on physical inputs required to produce them are being studied in order to gauge the efficiency of production in various places.

Farm income and income per person employed in agriculture is being studied in order to ascertain variations in the economic level of farm enterprises and in the standard of living of farm people in various places. The relationships between income, population and resources and the probability of attaining different standards of living are being analyzed. This analysis will provide a basis for determining areas relatively over-populated.

The demand for agricultural products that will exist in the future is being considered. An effort will be made to gauge the supplies of food and other agricultural commodities that would be demanded at different levels and distribution of National income. Under-employment in agriculture and low incomes for farm people, uneconomic utilizations of resources, and inadequate governmental and other institutions thus disclosed are being analyzed so that alternative remedial programs can be considered.

Financial problems of farmers: New financial problems now confront farmers. They are faced with the problem of increasing production, which in many cases involves the use of increased credit. On the other hand, their maximum contribution to the war also requires that they invest in war bonds or repay indebtedness so as to reduce the inflationary effect upon the National economy of the increase in farm income.

To assist the County War Boards in dealing with such credit problems, the Bureau issued a circular entitled "Financing Production of Food for Freedom." This pamphlet outlines principles to be considered in determining how farmers

can best use credit to expand production and what uses of credit should be avoided in order to prevent unnecessary post-war financial difficulties.

The successful attainment of the production goals requires not only the most effective use of credit by farmers but also the effective cooperation of lending agencies in making such credit available. To enlist the active cooperation of private lending agencies with that of the federally-sponsored credit agencies, the Bureau assisted the Agricultural Commission of the American Bankers Association in the preparation of a booklet "How Banks Can Assist in the Food-for-Freedom Program." The substantial increase in the goals of some agricultural commodities is requiring many credit institutions to undertake new types of agricultural financing.

Although National fiscal and credit policy originates in and is largely governed by considerations outside the agricultural field, the decisions made in financing the war affect farmers significantly in a number of ways -- as taxpayers, as producers and consumers, and as owners of land and debtors. These repercussions will increase in importance with the expansion in Government war expenditures and inflation controls. Simultaneously an increased participation of farmers in war financing will be needed.

Current farm real estate conditions: Emphasis was placed during the year upon assembling and analyzing data on current farm real estate market developments. The annual surveys of farm real estate conditions regularly conducted by the Bureau were supplemented by periodic field investigations in approximately 75 counties distributed throughout the United States.

These surveys indicate that by March 1, 1942, land values for the country as a whole had advanced 7 percent in the preceding 12 months. This advance brought the index of average per acre values to 91 percent of the 1912-14 base, a level 25 percent above the low reported for 1933. The increase for the past year is the largest reported since the first World War and is about double the annual rate of increase during the years immediately following the depression. Since March 1, 1942, values have advanced to 93 percent of the 1912-14 period.

Advance in values during the past year was widespread, with some increase reported for each of the 48 states. The largest increases were reported from the East North Central and East South Central groups of States.

As a part of the field investigations in selected counties, information is obtained from buyers, sellers, other informed persons, as well as a number of large corporate landowners, in order to get a fairly complete picture of market developments. The reports indicate that a substantial proportion of sales occurring in several areas have been purchases of lending agency lands by former tenants, or by adjoining part-owners, usually by means of a sales contract involving a small cash payment. It is expected that continuation of these surveys will yield helpful information in determining whether land value control measures are needed and also, if necessary, the type of control measures which should be adopted.

If a farm real estate boom should develop, the most serious consequence would be an excessive mortgage debt incurred in the financing of farm transfers at

boom levels of land prices. Excessive increase in land values also provides a credit basis for other burdensome debts not associated with land transfers. Hence, the Bureau is also studying currently the trends in financing practices associated with activity in the farm real estate market with the view of calling attention to any unsound tendencies that develop. Reports from the principal lenders dealing with loan, collection, and real estate operations are being currently analyzed.

The Bureau serves in varying capacities. It has a representative who serves as liaison officer with the Army and Navy in connection with the purchase of real estate for military purposes. It has analyzed the productive capacity of the land under consideration for both the Plant Site Board and the War Department. It has kept the various bureaus and agencies informed of purchases to be effected and these agencies in turn have assisted in relocating more than 50,000 families that were forced to move from land required for the war effort. In all, more than 18,000,000 acres have been purchased by the war agencies under the guidance of this Bureau's land specialists.

Prices, Income and Marketing:

Price fixing and Government buying programs: In connection with price fixing, price supporting and Government buying programs, as well as other war activities, information must be gathered on prices in different markets and stages of the marketing process and for different qualities of the commodities which are equivalent to farm prices for the same or equivalent commodities. It is frequently necessary to convert a given price in a given market for a given quality of a commodity into a corresponding price in another market or for another quality or a different stage of marketing. For example, the Government has guaranteed a minimum price for eggs, the announcement being in terms of a National farm price. In translating this guarantee into a specific price-supporting buying operation, it is necessary to determine prices in local and central markets for different qualities of eggs which are equivalent to the National farm price for the average quality specified in the guarantee.

This is a difficult problem since the differentials may be on an absolute or percentage basis and quotation for various markets frequently have not been tabulated for such purposes. The same applies to state averages of prices, and to prices of many other commodities. Statistical work must be done to determine the character of the relationships among prices in different markets and for the different qualities of the commodity, as a basis for setting up normal market price equivalents.

To meet the problems connected with the application of price ceilings to agricultural commodities and products derived therefrom, a large body of facts regarding marketing costs and margins is being built up. Adequate information on marketing costs and margins is of vital necessity in administering various programs such as price control, and can prevent serious mistakes in the future.

Adequacy of marketing and transportation facilities: Urgently needed work is being done on the adequacy of processing, storage and transportation facilities. This project involves (a) discovery and measurement of prospective

facility shortages, (b) investigation of possible substitute facilities and other means of meeting the problems created by the shortages.

For example, increased requirements of canned goods for military and lend-lease use together with a shortage of cans will make necessary some other means of meeting a good part of civilian needs for fruits and vegetables formerly bought in cans. One possibility is the diversion to fresh use of a portion of production ordinarily going into processed products. It may be necessary to prohibit the sale of canned goods during the seasons of fresh movement. This places great additional burdens on transportation and marketing facilities. Is the supply of refrigerator cars adequate to handle the increased load? Are storage facilities in terminal and secondary distribution markets adequate for these purposes? If not, how can they be quickly increased? Can fruits and vegetables, no longer canned in sufficient quantities for civilian use, be conserved for use during the off seasons by using sharp-freezer facilities of the cold storage and ice cream industries? Can production areas be shifted so as to better utilize existing marketing and transportation facilities for handling the fresh production? These are only a few of many questions arising in connection with the shortage of cans, answers to which require the efforts of trained marketing researchers familiar with the available data and with the practical aspects of the questions indicated. Similar problems arise in connection with many other commodities and shortages. As time passes and war conditions change the nature of these problems also changes. The solution to one problem is hardly put into effect when another arises.

Income indices and parity formula: Demands for parity prices, parity income, parity purchasing power, and price ceilings have increased the need for some accurate measure of farm costs and income and the effects of streamlining on income by types, sizes, and location of farms.

Incomes of typical family farms in wheat, cotton, corn, tobacco, and dairy areas have already been constructed, and the methods used have been refined. When fully developed, this approach can be used to forecast changes in income that can be expected under various farm programs and can measure the practicability of different price proposals as they affect farm incomes. The components of this index include physical estimates of quantities of various materials used in production. These in relation to relative outputs will be particularly helpful in our work on allocation of scarce materials.

The present indices have been worked out in close cooperation with state experiment stations. It is planned to develop cooperative agreements with all states and extend this project to new areas and new sizes of farms. To be most effective as a parity index, there must also be developed a localized measure of prices paid by farmers which will compare closely with prices received.

The present income parity formula accepts, as a starting point, the relationship between income from agriculture per person on farms and the income per person not on farms which existed in the 1910-14 base period. In order to express this relationship quantitatively the Bureau has computed and published the dollar figures for each year since 1910. These dollar figures indicate that the average person not on the farm in 1910-14 had an income of \$488, or about 3-1/2

times the \$134 received from agriculture per person on farms, and they had been widely quoted as official proof from the Department of Agriculture that the real income of nonfarm people was about 3-1/2 times as large as the real income of farm people during the base period.

While it is known, in a general way, that the real income of farm people is larger, relative to that of nonfarm people, than the dollar figures indicate, satisfactory measures of the cost of living for farm and nonfarm people in different areas in the United States are not yet available.

Recent changes in the income tax laws have also increased the demand for adequate farm income measures. A considerably greater number of farmers will probably be filing income tax returns, not only because their incomes are higher but also because of decreases in the exemption clauses. Members of this Bureau have been assisting other agricultural specialists and the Bureau of Internal Revenue in working out an improved standardized approach for income tax reporting by farmers.

The Bureau, in cooperation with the Extension Service, has prepared a statement on "Farm Bookkeeping and the Federal Income Tax." This statement presents some of the requirements for making adequate summaries of the farm business for income tax purposes and how record-keeping not only simplifies the preparation of tax returns, but also serves as a basis for the analysis of the financial results of farm operations. The Department is printing 50,000 copies for distribution to workers throughout the country who are called upon to advise farmers on farm management problems. In addition, the Federal Land Banks and other agencies under the Farm Credit Administration are providing 100,000 copies to place in the hands of their field personnel having direct contacts with farmers.

Production costs and returns: The establishment of price ceilings have increased the number of requests for cost data. This field of work, one of the oldest in the Bureau, has developed a backlog of research results which has been very valuable during the past year.

The 20-year old series of costs of producing cotton, corn, wheat, and oats was continued, and many requests for these data were received. This series contains cost items such as labor, farm power, fertilizer, seed, abandonment of planted acreage, and rents. These figures have been recently revised and will soon be used as a basis for an index measuring relative costs year by year.

In addition to the cost series, the Bureau has several studies dealing with physical and money costs of producing crops and livestock. These data are extremely useful in war administration. For example, the War Department and the Public Housing Authority are using this information when they buy land already planted to crops. The basic data are useful also in estimating machinery and manpower needs of agriculture.

Research on low-income farming: The Bureau has continued to give technical assistance and cooperative leadership to the Farm Security Administration in its

farm-management work with disadvantaged farm people. Both the Bureau and the Farm Security Administration are interested in the improvement as quickly as possible of the situations creating hardship among a substantial group of farmers, farm laborers, and their families.

Whatever the short-time programs may be, the final goals involve rehabilitation along lines that will give the low-income group security and adequate levels of living. The major task is to examine the farming systems now in use in the different areas and find ways and means for increased incomes on rehabilitation farms. On such a base, the job of rehabilitation becomes more tangible and allows the establishment of objective goals in terms of more land, more live-stock, fewer uncertain cash crops, more stable and cheaper credit, and other similar items.

The importance of marketing costs: Accurate information relating to marketing costs and charges for farm products was never so vital as at present. The volume of farm products moving through marketing channels is mounting sharply. If the adjustments which are being forced upon the marketing system are to be real improvements, they must be guided by a comprehensive analysis of alternative organizations and their costs. Information is necessary as the basis for deciding at what point adjustments should be made, what should be the nature of the adjustments and what would be the probable benefit in terms of reduced marketing costs or improved services.

With charges for marketing taking about half of the consumer's dollar spent for food and 80 to 90 percent of the consumer's dollar spent for textile and tobacco products, the trend of marketing charges is of profound concern to both the farmer and the consumer. The cash income to farmers is approximately 10 billion dollars from sales of food, fiber and tobacco crops. Charges exacted by the marketing system for the services required to transfer these products from farmers to consumers amount to about 12 billion dollars. Thus, moderate reductions in the charges for marketing farm products would return substantially greater income to farmers in addition to lowering cost to the consumer and benefiting the efficient middleman. Gross inefficiencies and excessively high costs exist in many segments of the marketing system.

Price ceilings are being placed on nearly all foods, and in order to avoid the necessity for marketing subsidies it will be necessary to discover and eliminate unnecessary services and costs in marketing. Work on this phase already is under way in the Bureau at the instance of the Director of Economic Stabilization, but the increasing scope of the problem as the war progresses indicates the need for much additional research of this character. The cost to the Government will be only a minute fraction of the potential savings in subsidies and other costs.

Current monthly reports on farm retail prices: Because of the prevailing interest in farm retail price spreads, analyses were made and a monthly release was inaugurated in December 1941 showing the farm-retail price spread data for the current month compared with previous months, the previous year, and the pre-war 1935-39 average.

In order to throw more light on the significance of food costs in the general cost of living, the Bureau maintains a series showing the average income of the city family and compares this with the cost of the Nation's basket of all foods and the basket of 58 foods produced on American farms. These comparisons show that through the past year family income has increased more rapidly than food costs so that a family can purchase a fixed quantity of food products with a smaller percentage of its income than for any earlier year of record since 1913.

Charges for marketing food products turned upward during the first six months of 1942, reversing the former trend. During the previous 5 years marketing charges on farm food products declined steadily, and no appreciable uptrend was noticeable through 1941. The decline in marketing charges during these 5 years took place despite sharply advancing hourly earnings of labor. Apparently labor efficiency in marketing enterprises had been increasing more rapidly than hourly earnings and, consequently, per unit labor cost declined.

Revised analysis of price spreads between farmer and consumer for food products: In order to increase the usefulness and accuracy of the material relating to marketing charges for food products, a comprehensive revision and extension of the farm-retail price spread material is being prepared. In these revised estimates more food products are included. The farm produce equivalents of retail food items are improved with allowances for physical wastes between the farmer and the consumer. In addition, values of by-products are allowed for at the wholesale level. Estimates of family food costs and equivalent payments to farmers are prepared on the basis of a more modern budget than formerly used. Furthermore, these estimates are prepared for all foods, and they are not confined to the items for which retail prices are available. Series of estimates are included showing income received by farmers from the sale of food products and these are compared with estimates of total consumer expenditures for domestic food products.

Analysis of price lags for food products between the farm, wholesale, and retail levels: To assist in analyzing the effects of maximum price controls upon middlemen, particularly upon retailers, an analysis was made to determine the typical lag or time-period elapsing between changes in price at wholesale and at retail levels. This analysis is being carried through for 9 important foods including pork, beef, dairy products, potatoes, canned tomatoes, canned peas, bread, eggs, and oranges. Preliminary results of the analysis show that for most food products retail prices lag behind wholesale prices, the amount of the lag varying from less than a week to as much as 4 or 5 months. When wholesale prices are increasing retailers tend to mark up retail prices within a very short time. When wholesale prices are declining, a longer period of time lag is observed before the retail price is marked down.

Special reports and analyses: Since the enactment of the Emergency Price Control Act of 1942 special estimates have been prepared showing the relation of current levels of food costs and the cost of textile products to the exemption levels specified in Section 3a. Estimates were prepared of the variation in margins with the rise in farm prices. An estimate for June 1941 indicated

that if all farm prices of food products then below the exemption level should rise to this level, the cost of food to the consumer can be expected to rise about 6 percent and marketing margins are likely to rise about 2 percent.

A comprehensive report measuring the spread between prices paid by consumers and equivalent payments to producers for 42 items of cotton clothing and household furnishings was completed and submitted to other agencies. This report shows comparisons beginning with 1927 for the group of all 42 items combined and for all individual products where retail price data are available. These estimates show that for the crop year 1941-42, the farmer's share of consumer's dollar spent for cotton products was nearly 13 cents. This was the highest share since 1928 and it is over 2-1/2 times greater than the low of 5 cents received in 1932 during the depth of the depression.

Demand, price and situation reports: The regular services of the Bureau include publication of commodity situation reports, The Demand and Price Situation, the Farm Income Situation, The Marketing and Transportation Situation, and the National Food Situation. These reports carry current basic data and analyses needed by the several war agencies developing and carrying out programs relating to agriculture. Special statistical and economic services were extended to the Congress, Army, Navy, the War Production Board, the Office of Price Administration, the Office for Agricultural War Relations, the Secretary's Office, and the Agricultural Marketing Administration. The Bureau supplies the Congress, the Office of Price Administration, other governmental agencies, and leaders of farm organizations with a great amount of information on income parity and price parity, actual prices and minimum ceiling prices for important agricultural commodities, and indications of the probable effects of proposed price control measures.

From the time of the establishment of the Office of Price Administration, the Bureau has supplied that agency with a great amount of statistical information and scores of economic analyses relating to the control of prices. During the past year requests for information regarding prices were so heavy that a price service unit was established to coordinate the work on such price-control problems as determining grade, location, and seasonal differentials in the prices of farm products. Information on the allocation of supplies of agricultural commodities was furnished to the Civilian Supply Division of the Office of Price Administration and Civilian Supply, and after the reorganization of that agency, to the Civilian Supply Division of the War Production Board.

Farm Population and Manpower: The activities under this project have concerned themselves with three major programs: (1) Agricultural manpower, (2) community organization, and (3) rural trends. Long-time research projects have been completely abandoned and the emphasis has been placed upon meeting the current demands of operating agencies concerned with the war effort.

Population and manpower: The wartime drain on agricultural manpower has given added importance to securing timely information on the movement to and from farms. The annual series of population estimates maintained by the Bureau in cooperation with a number of State Agricultural Experiment Stations show

that there was a net migration from the farms of approximately 1,300,000 persons during 1941 -- one of the largest net losses on record. Since these estimates provide information both on gross and net movement of farm population, they have proved most useful in interpreting data recently secured from a number of sources, which provided estimates of gross losses only to the farm population.

Data on farm population are needed not only for the recent past to describe what has happened, but also for the immediate future in order to anticipate developments which may hamper full production. An estimate made during the summer of 1942 indicated that agriculture then faced the need of replacing approximately one million persons between July 1942 and July 1943. This was then the expected gross loss to the armed forces, industrial and other employment. In addition to replacing these losses there was a prospect of needing to find an additional 200,000 workers, in order to meet the production goals. Additional withdrawals of 300,000 persons from the agricultural labor force by October 1943 would add to the numbers requiring replacement. Only 250,000 of the total required could be secured through the normal growth in the working age population living on farms.

Information on the farm labor situation, analyzed by the Bureau of Agricultural Economics, showed that about 1.6 million farm workers and operators had left agriculture to go into industry and the armed forces between September 1941 and September 1942. This total included 381,000 farm operators or managers and 1,234,000 farm family workers and year-round hired workers. Entrance into the armed forces accounted for the loss of 694,000 workers, while shifts into non-farm jobs accounted for the loss of 921,000 workers. One-fourth of the persons going into the armed forces were farm operators. But despite the losses of manpower which had occurred, two-thirds of the farmer respondents indicated that they expected to handle as large a crop and livestock program in 1943 as they did in 1942.

In November 1942 after the Secretary had been given the responsibility for the wage control program in agriculture, a special survey of three critical dairy areas was carried on. The returns gave information on programs and policies needed to insure adequate milk production in the Los Angeles, Kansas City, and Jefferson County, Wisconsin, areas where farm labor shortages, herd dispersals, and marketing and transportation problems had been reported.

Working cooperatively with the State Experiment Stations, the Farm Security Administration, and the U. S. Employment Service, the Bureau of Agricultural Economics in the summer of 1942 initiated work looking toward the fuller utilization of under-employed farmers in areas where year-round hired help was needed, and also in areas where farms were available for rent. This work was begun in northern Wisconsin, and eventually developed into a large scale program under state auspices. Similar work was done in Illinois, Ohio, and Kentucky, and work is now being done in southeastern Kentucky to provide information needed to carry on the Department's program for moving under-employed workers from that area into more intensive dairy areas in Ohio.

In regional offices the staffs worked with State War Board farm labor subcommittees, developing programs of work for county labor committees, furnishing

data and information on what data were needed and means of collecting them, as well as analyses of local labor problems and spot surveys of critical situations. One illustration of this type of practical service was a survey in Nebraska on the number and distribution of transient combines brought into the state for the wheat harvest.

Numerous services have been and are currently being furnished to the Farm Placement Service of the U. S. Employment Service. In February 1942 a map showing "Counties most in need of Farm Placement Service" was prepared for this agency and widely used in expanding its organization.

Community organization: Agencies such as the Office of Civilian Defense and the Extension Service are receiving assistance from this Bureau developing programs for effectively mobilizing the rural community for cooperative effort in solving problems on the home front.

Results of a study in California, which the State War Board asked the Bureau of Agricultural Economics to do, are now furnishing the basis on which the California War Board is developing an over-all farm labor program, which will provide opportunity for each of the agencies to make its major contribution in the community efforts to meet farm labor problems.

Staff members have assisted the National Health, Defense and Nutrition Committees in methods of organizing both urban and rural areas for the educational campaigns to be carried to every household. Surveys are being carried on in several states to determine the effectiveness of the coverage and to determine the strengths or weaknesses of the organizational structure.

Work is being carried on by Washington and regional staffs with Farm Security Administration assisting them in the organization of their neighborhood groups and evaluating reasons for their success or failure. This has for its objective the stimulation of increased farm production by the lower income groups through the cooperative use of farm machinery and exchange of labor.

In Mississippi a cooperative project was developed with the Agricultural Adjustment Agency, Farm Security Administration, and Extension Service under which staff members helped these agencies with techniques of mapping the neighborhoods and communities of all counties in the state preparatory to the establishment of the neighborhood leadership program.

In the Northeastern States the staff has made an appraisal of the rural organizations in several states at the request of the Office of Civilian Defense to determine the most effective method by which the agency can coordinate its work with that of other agencies in reaching rural people.

Rural trends: Production demands on farmers are calling for the adoption of new practices, and especially for the utilization of sources of labor which have not commonly been utilized. Programs to assist with farm labor problems must consider not only the labor requirements and the volume of labor needed, but also the attitudes of farm employers and potential workers which affect the extent to which potential workers actually are used. Studies are in progress on

the attitudes of farmers toward unusual sources of labor supply, the success of efforts to mobilize the full labor resources of local communities and condition under which women and young people can be effectively used for farm labor. The studies are showing how the results obtained in some communities during the past year can be adapted to others, and are providing clues to programs which will need to be developed to assure full utilization of the available labor supplies.

Program Analysis and Service: Under this project, research and analytical work are conducted on wartime production capacities; problems involving critical commodities; and the appraisal of the effects of various measures on the capacity of agriculture to produce needed commodities. Effort is made also to appraise the effects which rationing and priorities on farm supplies, equipment, and consumption goods are having upon agriculture's ability to produce vital commodities, including estimates of post-war demands of farm people for particular types of production goods. It is known that farmers would buy 20 percent more production and consumption goods with their present increased income if these goods were available.

It is obvious that by the time the war is over a very large part of the farm equipment will be worn out. It is in the best interests of the future to maintain machine production in order that necessary supplies may be obtained. For this reason the Bureau will study the situation in order that definite information may be available on the amount of this delayed demand which will come in the future.

Analyses are being made of the extent to which American agriculture will be able to supply materials and resources needed to reprovise and rehabilitate post-war agriculture in Europe and other war zones including the conditions under which such supplies, in the quantity and quality desired, will be forthcoming from American producers. This involves working with the Department of State, other departments, and Inter-Allied Committees on Post-War Requirements and its various technical committees to ascertain war needs, priorities, specifications, and conditions of distribution as a basis for determining possible future deficiencies in agricultural production and as a guide to action needed to build up reserves of the kinds and amounts of foodstuffs, raw materials, and production goods required.

Interdepartmental Committee on Food Relief: The Chief of this Bureau is chairman of the Interdepartmental Committee on Food Relief. This Committee is concerned with programs for providing food relief to starving people in areas reoccupied by United Nations forces. Because of the magnitude of the problem, consideration to date has been centered on the outer fringe of Continental Europe. Four interrelated problems are being given attention; i.e., (1) nutritional deficiencies existing and minimum relief rations needed; (2) tentative estimates of the numbers of people who will require relief foods; (3) accumulation of contingency reserve of foodstuffs from United States production and other producing areas so that supplies will be available when military progress permits relief feeding; and (4) preliminary estimates of foodstuffs which might become available from other producing areas.

The area under consideration thus far has about 115 million persons, and a very substantial percentage will need imported supplies during the first year of

occupation. This will require millions of tons of imported foods. To meet this situation the Government, through the Department of Agriculture, must take steps to build up the needed accumulation of foods. Further analysis in cooperation with the governments in other surplus producing countries will be necessary before definite decisions can be made, but immediate steps can be taken to insure adequate supplies of such products as dried milk, and dehydrated meat, eggs, and vegetables.

The establishment of a better balance between the capacity to produce agricultural products and the nutritional needs of many classes of people throughout the world must be one of the cornerstones of our post-war commercial policy. It is essential to a prosperous agriculture in this country and to the health of the lower income classes everywhere.

Assistance to small business: The Special Committee on Small Business of the United States Senate has called upon the Department for detailed information on the relationship between this agency and the small business problem. In response to this request the Bureau of Agricultural Economics made up a report from information supplied by 17 agencies in the Department which sets forth in detail a great many services which are being performed for the benefit of small business.

Assistance to departmental programs: The Bureau attempts to maintain a continuous liaison between Washington operations and those who are affected by them -- farmers, and local agricultural officials. Assistance is furnished departmental agencies in planning their programs to meet the needs and peculiar requirements of the agricultural community by providing them with: (1) The results of frequent field studies focused on appraising the changing character of rural needs; (2) field materials concerned with determining the factors responsible for hindering the attainment of peak effectiveness in program administration and those factors responsible for preventing the best possible adaptation of National programs to the specifics of local situations; (3) a mechanism for carefully checking proposed administrative procedures through experimentation under actual conditions.

(D) CROP AND LIVESTOCK ESTIMATES

Appropriation Act, 1943	\$757,435
Transfers, 1943, from other appropriations	+400,861
Total available, 1943	1,158,296
Budget estimate, 1944	1,354,266 *
Net increase in total available funds (including decrease of \$4,030 in travel funds returned to surplus) ..	<u>+195,970</u>

* The Budget estimate of \$1,354,266 in the direct appropriation for 1944 consists of the 1943 direct appropriation of \$757,435, plus an increase of \$200,000 above 1943, less \$4,030 returned to surplus, plus \$400,861 in funds formerly allotted or transferred, as follows:

Appropriations from which transfers were made in 1943, and in which reductions are provided in 1944 in amounts equal to the funds merged with "Salaries and expenses, Bureau of Agricultural Economics, crop and livestock estimates"	:	:	Amount to be merged with appropriation, 1944	:	Increase or decrease, amount to be merged in 1944 compared with transfers, 1943
Marketing Service, Agricultural Marketing Administration	:	:	:	:	:
Conservation and use of agricultural land resources	:	\$11,300:	\$11,300:	:	--
Parity payments	:	150,000:	150,000:	:	--
Exportation and domestic consumption of agricultural commodities	:	110,000:	110,000:	:	--
Administration of Federal Crop Insurance Act	:	105,186:	105,186:	:	--
Total	:	24,375:	24,375:	:	--
	:	400,861:	400,861:	:	--

PROJECT STATEMENT

Project	:	1942	:	1943 (estimated)	:	1944 (estimated)	:	Increase or decrease
1. Crop and livestock estimates ...	:	1,265,440:	:	1,154,266	:	1,354,266	:	+200,000 (1)
Covered into Treasury in accordance with Public Law 674	:	--	:	4,030	:	--	:	-4,030
Unobligated balance	:	108,603:	:	--	:	--	:	--
Total estimate 1944 and comparable amounts 1943 and 1942	:	1,374,043:	:	1,158,296	:	1,354,266	:	+195,970

INCREASES AND DECREASES

The net increase of \$195,970 in total available funds for this item consists of \$4,030 decrease in travel funds (returned to surplus in 1943) and:

(1) An increase of \$200,000 under the project "crop and livestock estimates" as follows:

(a) Current estimates localized by producing areas, groups of counties, or districts, of the production, stocks or supplies of agricultural products, including crops, livestock, dairy and poultry, most directly involved in the war effort	\$120,000
(b) Periodic reports on stocks of farm products in various positions not now included in the regular program of stocks reports, including storage capacity reports	60,000
(c) Additional and more detailed production estimates on certain crops of growing importance in the war effort, such as soybeans and hemp	<u>20,000</u>
Total increase crop estimates	<u>200,000</u>

WORK UNDER THIS APPROPRIATION

Objective: To gather, compile, and analyze sufficient information covering crop and livestock production, stocks, utilization, and prices to serve as the basic guide in formulating and conducting departmental programs and to furnish information required by the local agricultural interests concerned and the general public.

The Problem: The conduct of the war has increased the need, not only for most of the data already being collected under the regular program of crop and livestock reports, but also for a great many additional or detailed facts and figures concerning the production, stocks, utilization, and prices of agricultural commodities not now available or only partially available, such as: Production and stocks information localized by areas smaller than states; the breakdown of production estimates of crops and other products into kinds and types, grades, or classes, e.g., dry beans and peas; stocks or supplies in various positions, e.g., soybean stocks on farms and interior elevators, and estimate on crops not now included in the regular estimates, such as tung oil, castor beans, hemp, and vegetable seeds of all kinds. The Bureau, being the principal economic fact-finding and analytical agency of the Department, is receiving an ever-increasing flow of requests for new and more detailed estimates of present and prospective agricultural production, stocks, utilization, sales, prices, etc. To the utmost limit of its funds and personnel, it has endeavored to furnish as much of the new data called for as possible, but its present facilities are inadequate to meet the demands made.

The entire program of crop and livestock reports has been carefully reviewed and items and reports not considered essential have been reduced or eliminated, e.g., the pre-harvest wheat surveys and several utilization inquiries and reports. The savings that have been effected are not large, however, as most of the reports as now regularly issued are not only in great demand in the war program, but much greater detail is needed. Most of the reports started during the last war have been continued because agriculture and industry found the information to be of great practical value and use in peace times and demanded not only their continuance but also their expansion.

Plan of Work: To meet the more pressing of the demands for new or more detailed crop and livestock information than is now available, increased funds are necessary to provide additional personnel, largely in the various state offices, through which most of the data from primary sources is collected, tabulated and prepared for use within the states and for transmission to Washington.

An amount of \$120,000 of the proposed increase of \$200,000 will be used for localized estimates of production and stocks of agricultural products. These data will include: Current estimates -- localized by producing areas, groups of counties, or districts -- of the production and stocks or supplies of agricultural products, including crops, livestock, dairy and poultry products, most directly affecting the conduct of the war.

To furnish such estimates for these smaller areas or districts of a state. requires a great expansion in the number of crop reporters and the examination and tabulation of data from all available sources, such as state acreage censuses, AAA records, local surveys, etc. In many states it will be necessary to develop entirely new sources of information.

The principal uses of such localized information are in the campaign to increase the output of basic food, feed, oil, and fiber crops, in the establishment of county production goals, and in locating sources of supplies for Government purchase.

Limited county data are available only in a few states which have an annual state census and in other states very rough county estimates have been made for the AAA on corn, wheat, cotton, and peanuts.

An amount of \$60,000 of the proposed increase will be used for periodic reports on stocks of farm products not now included in the regular program.

Periodic reports will be made on stocks of additional farm products. Specifically, such reports would include data on stocks at least twice a year, for corn, oats, barley, rye, grain sorghums and flaxseed on farms, at country points and in processing plants. This information is not now available except in a limited degree, wheat being the only grain crop completely covered by reports. They would also include stocks twice a year in country positions and in dealers' or processors' hands, of soybeans, peanuts, and hay on farms. Periodical surveys would also be made of storage capacity for grain and available facilities broken down by type of storage.

An increase of \$20,000 will be used in making additional and more detailed production estimates on certain crops which are becoming increasingly important. These will include (1) production forecasts of soybeans for beans during the growing season for additional states and earlier season estimates on the acreage of soybeans to be harvested for beans to furnish advance production and acreage information needed to provide adequate crushing facilities, storage space, and transportation; (2) production and stocks by kinds or types, grades, or classes for such crops as vegetable seeds, dry beans and dry peas, information needed in order that other countries of the United Nations can be supplied with needed quantities of seeds and food without unduly restricting the supply available in this country and because of the various purposes for which different kinds and varieties are used; (3) production reports on hemp fiber, hemp seed, castor beans and other specialty crops which are of growing importance under wartime conditions but not now covered by any reports.

Examples of Progress and Current Program: The present organization extends throughout the Nation, the work being carried on through 41 field offices. Each field office is a well-organized statistical unit, in charge of an agricultural statistician, and is fully equipped to handle the crop and livestock reporting work at the state level. To eliminate duplication or overlapping of effort and to utilize state legislation requiring certain statistical reports, cooperation with State Departments of Agriculture or with State Agricultural Colleges is maintained in 32 states.

The work of the field offices is coordinated and assembled by the Washington staff, which includes administrative offices, research consultants and specialists in the various groups of related commodities or subjects. Final responsibility for the official crop and livestock estimates rests with the Crop Reporting Board. Acting as a general board of review, the Crop Reporting Board is composed of a designated Chairman and from 5 to 7 members, at least two of which are in charge of field offices.

The work of gathering primary data on the many phases of food production and utilization involves the analysis of hundreds of thousands of individual reports on over 100 farm commodities. Because of present conditions the demand for this information has increased greatly and much greater detail and refinement of the data is needed by the war agencies concerned with agricultural products. Through the exercise of various economy measures, by discontinuing long-time research, and through small allotments from emergency funds, the Bureau has been able to meet a part of these demands.

Types of New Work Demanded: Many special types of estimates and reports being asked for, and although initially requested for some specific purpose, are generally applicable to many other uses. For example, the State Statisticians serve as members of the United States Department of Agriculture State War Boards, and all needs for basic data and estimates are referred to the Statistician. He then is expected to gather and furnish such data as can be brought to bear upon the particular problem or action with which the War Board is dealing. Quite frequently this will involve some special breakdown of the state estimates for a crop or commodity, either by types, classes or

kinds, or into localized approximations for counties or producing areas. An instance of this sort is the type of information needed by the recently designated county transportation committees to aid them in analyzing local problems and providing adequate utilization of available facilities for moving agricultural products from the farm.

Basic data for the preparation of the feasible total production of crops, area by area over the entire country, and the distribution of state production goals to individual counties, are further illustrations of the newer requirements upon the time and services of the field offices. In a majority of instances, the state office staff is not sufficient to permit of the preparation of estimates of maximum precision and dependability for all crops and areas. Nevertheless, they develop the best possible figures they can under the circumstances. The data, once prepared, serve to a certain extent some of the needs of other agencies which, however, may require some additional variations to serve their particular purposes. For example, the U. S. Employment Service officials in the state will have need for such data as can be assembled on local crop acreages, production, etc., to provide a basis for anticipating timing and extent of labor requirements. Similarly, special compilations of basic data are furnished, to the extent possible, to other agencies, such as the Agricultural Adjustment Agency in the conduct of the programs for increased production of war crops; the Agricultural Marketing Administration in its lend-lease purchase programs and other marketing activities; the Farm Credit Administration in its appraisal and loan operations; the Farm Security Administration in conjunction with the tenant purchase program and establishment of labor camps; Selective Service officials in consideration of farm labor deferments; War Production Board in providing a basis for determining priorities required to maintain essential agricultural production; the respective departmental offices and agencies concerned with problems of growing complexity in the transportation and storage of grain crops and other farm commodities; and the Office of Price Administration on the numerous matters involved in control of farm and food product prices.

These illustrations indicate broadly the nature of the new types of requests which it is expected will have to be served in growing measure, in addition to maintaining the bulk of the previous program of reports. Basically, the regular program of work has been largely that of providing National and state estimates of agricultural production, supplies, and prices. In recent years, this has been augmented by authorizations to issue other periodic reports to furnish some additional special detail, supplementing the basic program, primarily to meet the needs of agricultural action programs and other emergency measures.

In carrying out the purchase program under the Lend-Lease Act and for the Nation's armed forces it is essential to know accurately and in great detail the current and prospective supplies of commodities to be purchased and the location of such supplies. We need to know where and in what quantities lend-lease commodities (foods, fats and oils, seeds, etc.) can be obtained for the United Nations with least disturbance to domestic needs. There is further necessity of building up and maintaining stock piles.

Through the extensive regular and special statistical reports that are issued by the Bureau on the output of farm products, a considerable volume of information is available to the purchasing agencies to aid them in the general planning and conduct of their operations. The vast scope of these purchases and the continuing urgency of combining speed with efficiency in the procurement of needed supplies, as well as the necessity of anticipating needs well ahead and providing for the required enlargement of change-over of processing facilities, call for added information of a more localized character.

Special surveys were made in 1942 of the facilities and capacity of commercial canning, and preserving plants, and of certain dairy processing plants, and to survey at specified times the production, stocks and supplies of dry beans, dried peas, rice, cheese, dried fruits, and vegetable seeds. The survey of the canning and preserving industries will not be repeated. However, developments with respect to demands upon dairy manufacturers made it desirable to again survey the dairy products plants and to continue the series of reports inaugurated on stocks and production reports on beans, peas, rice, cheese, and eggs. In addition, similar and more extensive reports are being made on soybeans, with the mounting significance of this crop in the Lend-Lease program.

CHANGES IN LANGUAGE

The estimates include proposed changes in the language of this item as follows (new language underscored; deleted language enclosed in brackets):

Total, salaries and expenses, Bureau of Agricultural Economics,
[\$4,685,266] \$3,531,502; including the employment of persons and
means in the District of Columbia and elsewhere, either independ-
ently or in cooperation with public agencies or organizations, of
which amount not to exceed [\$2,300,130] \$1,851,649 may be
expended for personal services in the District of Columbia,
including the salary of the chief of bureau at \$10,000 per annum,
and not to exceed \$1,000 for the purchase of books of reference,
periodicals, and newspapers.

Since a new subappropriation for "Crop and livestock estimates" has been included under "Salaries and expenses, Bureau of Agricultural Economics" to cover the activity transferred to this Bureau by Executive Order 9069, a new paragraph is being inserted covering the total for the Bureau, as well as the limitation on personal services in the District of Columbia.

The language "including the salary of the chief of bureau at \$10,000 per annum" is not new language but it has been transferred from the opening paragraph of the 1943 appropriation.

New language is included as follows: "And not to exceed \$1,000 for the purchase of books of reference, periodicals, and newspapers." This language provides authority in 1944 which was available to this Bureau in 1943. The change is made necessary only because of proposing for 1944, directly appropriated funds in lieu of certain allotments available in 1943.

SUPPLEMENTAL FUNDS

(Exclusive of lend-lease allocations which are not included in Budget)

There appears in the Department of State section of the Budget a schedule showing estimated obligations for fiscal year 1944 under the heading "Cooperation with American Republics" reflecting a proposed transfer to the Department of Agriculture for intern training of agricultural economists from South American countries.

Direct Allotments

Project	: Obligated, 1942	: Estimated obligations, 1943	: Estimated obligations, 1944
<u>Special Research Fund, Department of Agriculture:</u>			
Special researches on economic factors affecting the farm industry	\$81,508:	\$71,426:	\$67,526
<u>Emergency Relief, Agriculture, Planning and Review of Works Projects Administration Projects (Transfer from W.P.A.): Planning and review of projects</u>	11,278:	- -:	- -
<u>Working Fund, Agriculture, Agricultural Economics (Expenses of Loans, Treasury Department): Economic surveys of income and expenditures of farm families</u>	- -:	20,000:	- -
<u>Working Fund, Agriculture, Agricultural Economics (Emergency Fund for the President, Office of War Information): Economic surveys for the Office of War Information</u>	- -:	242,500:	- -
<u>Working Fund, Agriculture, Agricultural Economics (Emergency Management): Employment of trainees designated by South and Central American countries for economic research</u>	- -:	52,000:	- -
Economic surveys performed for the Office of Facts and Figures	202,694:	- -:	- -
<u>Working Fund, Agriculture, General, Agricultural Economics (Advance from Air Corps, Army): Research, compilation, and drafting of aeronautical charts</u>	- -:	6,000:	- -

SUPPLEMENTAL FUNDS -- Contd.

Project	Obligated, 1942	Estimated obligations, 1943	Estimated obligations, 1944
Working Fund, Agriculture, Agricultural Economics, Advance from Central Valley Project, California (Reimbursable): Economic research in connection with the Central Valley project (Bureau of Reclamation)	- -	\$40,700	- -
Working Fund, Agriculture, Agricultural Economics (Office of Price Administration): Survey of livestock feed prices and costs ...	- -	9,000	- -
Working Fund, Agriculture, General (Bureau of Agricultural Economics) (Transfer from War Department): Cost of living survey	2,300	- -	- -
TOTAL, SUPPLEMENTAL FUNDS (Direct allotments)	297,780	441,626	67,526

PASSENGER-CARRYING VEHICLES

The estimate for the purchase of passenger-carrying vehicles contemplates the replacement of 6 of the Bureau's 26 vehicles at a cost of \$4,800 or \$800 per car when exchange allowances are taken into account. No funds are requested for the purchase of additional cars.

The estimate for replacement has been held at a very low figure since there is much uncertainty as to the possibility of obtaining new cars. All of the cars in use will have had several years of service by 1944 and at least 6 will no longer be serviceable. If it proves to be impossible to buy the new vehicles, the funds will be used to cover extra costs of maintaining present cars and for other means of transportation.

The use of automobiles in the field is necessary in the conduct of farm management and land-use research, especially in connection with the war production programs, and in gathering data on the condition of crops and other information for use in preparing crop and livestock estimates.

OFFICE OF FOREIGN AGRICULTURAL RELATIONS

Appropriation Act, 1943	\$223,795
Second Supplemental National Defense Appropriation Act, 1943	100,000
Proposed transfer in the 1944 estimates to "Salaries and expenses, Library"	-2,000
Total available, 1943	321,795
Budget estimate, 1944	420,670
Net increase (including decrease of \$1,125 travel funds returned to surplus)	<u>+98,875</u>

PROJECT STATEMENT

Project	1942	1943 (estimated)	1944 (estimated)	Increase or decrease
1. Foreign Agricultural Relations (exclusive of Combined Food Board)	\$222,011	\$220,670	\$220,670	- -
2. Combined Food Board	- -	100,000	200,000	+\$100,000(1)
Covered into Treasury in accordance with Public Law 674	- -	1,125	- -	-1,125
Unobligated balance	1,830	- -	- -	- -
Total estimate 1944 and comparable amount 1942 and 1943	223,841	321,795	420,670	+98,875

INCREASE

The increase of \$98,875 for this item consists of a decrease of \$1,125 in travel funds (returned to surplus in 1943) and:

(1) An increase of \$100,000 to finance on a full-year basis in 1944 the activities of the Combined Food Board, for which \$100,000 was provided for the last six months of 1943 in the Second Supplemental National Defense Appropriation Act, 1943.

Objective: To provide through the joint Great Britain-United States Combined Food Board (established by the President of the United States and the Prime Minister of Great Britain) a means for collaboration among the United Nations in respect to their common food problems including (a) the allocation among them of food products and allied commodities in short supply, and (b) the development of more efficient ocean transportation of food among the United Nations with a view to making, in this field, the maximum contribution to the combined war effort.

The Problem and its Significance: There are a considerable number of important food and allied products of which the effective supply from a transportation point of view falls short of the usual requirements of the importing countries. Among such products may be mentioned fats and oils, sugar, agricultural seeds, fertilizers, tea, coffee and spices, meats and meat products.

Since effective supplies of certain commodities are short of total needs of the United Nations, it is necessary to find an equitable basis for sharing such supplies. This must be done through international agreement with respect to individual items. The Combined Food Board, in collaboration with the appropriate authorities of other countries, provides a means for reaching such agreement.

The other general problem dealt with by the Combined Food Board concerns a thorough survey of the actual movement of food and allied products in ocean transportation at the present time. Such information is obtained by the Board primarily from the shipping authorities of the United States and the United Kingdom. Having secured a comprehensive picture of the world trade in food among the United Nations, the Board considers the possibility of making more efficient use of available shipping for this purpose, both through shifts in trade routes and through the use of more concentrated forms of food than are at present being moved.

Plan of Work: The Combined Food Board has established a joint secretariat consisting of representatives of the United States Department of Agriculture and of the British Food Mission. The Office of Foreign Agricultural Relations services the needs of the secretariat in respect to foreign production and trade information and general administrative functions.

The executive officers of the Board prepare for submission to the Board proposals originating for the most part in the two main branches of the secretariat. In this connection the officers consult with the London Food Committee and with the Inter-Agency Committee, which includes representatives of the Combined Shipping Adjustment Board, Department of State, War Production Board, Board of Economic Warfare and the Office of Lend-Lease Administration.

The Commodity Investigations Branch consists of a number of commodity specialists who are charged with keeping fully informed on the world situation in respect to specific commodities. These commodity specialists also serve as chairmen of international commodity supply and allocation committees. Members on these committees consist of the best qualified individuals available to the governments of the United States, the United Kingdom and other interested United Nations. These committees make surveys of the food supplies and requirements of the United Nations and recommend to the executive secretariat specific allocations of food among those nations.

The International Food Distribution Branch consists of a professional staff technically qualified in the field of international trade in food and allied products and shipping. ~~The International Food Distribution Branch consists of a professional staff technically qualified in the field of international trade in food and allied products and shipping.~~ This branch will be concerned with those aspects of the Board's work which cut across commodity lines and involve relations with particular countries or regions and also pertain to general shipping and distribution problems.

One of the early tasks of the Food Distribution Branch will be to survey the food requirements of individual members of the United Nations.

The work of the Combined Food Board is closely integrated with the Office of Foreign Agricultural Relations particularly in the commodity field. The commodity groups of the Office of Foreign Agricultural Relations and the Combined Food Board work jointly in preparing and analyzing the United Nations food situation.

CHANGE IN LANGUAGE

The estimates include a proposed change in the language of this item as follows (new language underscored, deleted matter enclosed with brackets):

Salaries and expenses: For carrying out the functions of the Secretary [of Agriculture] under the Act of June 5, 1930 as amended (7 U.S.C. 541-545), independently and in cooperation with other branches of the Government, state agencies, purchasing and consuming organizations, and persons engaged in the production, transportation, marketing, and distribution of farm and food products and for enabling the Secretary to discharge his functions as a member of the joint Great Britain-United States Board known as the Combined Food Board, \$420,670, including the employment of persons and means in the District of Columbia and elsewhere; the salary of the Director at \$9,200 per annum; and the purchase of such books and periodicals and not to exceed \$500 for newspapers as may be necessary in connection with this work, [\$223,795].

[Salaries and expenses: For an additional amount for Office of Foreign Agricultural Relations, fiscal year 1943, including the objects specified under this head in the Department of Agriculture Appropriation Act, 1943, the employment of aliens; and to enable the Secretary of Agriculture to carry out the functions of the United States in connection with the operations of the joint Great Britain-United States board to be known as the Combined Food Board as authorized in a memorandum of the President to such Secretary, dated June 9, 1942, \$100,000].

The first language change provides authority under this appropriation for the operating of the Combined Food Board. Similar authority was provided for 1943 in the Second Supplemental National Defense Appropriation Act, 1943, and the language of the supplemental item is deleted as such.

The Budget recommendation for authorizing the salary of the Director at \$9,200 per annum is based upon the very substantial increase in the duties of the Director both from the standpoint of the variety of problems handled and the international importance of those problems. This increase in responsibility has arisen largely as a result of his appointment as Executive Officer of the Combined Food Board but also because of the enlarged wartime functions of the Office of Foreign Agricultural Relations. His responsibilities in connection with the Combined Food Board have to do primarily with conducting successful negotiations of the numerous problems arising in connection with the producing and supplying of foodstuffs and agricultural raw materials for use by the United Nations. It is therefore recommended that his salary be increased to a point more commensurate with his new duties.

WORK UNDER THIS APPROPRIATION

The outbreak of war has meant an intensification of the work of the Office of Foreign Agricultural Relations, particularly in the work of cooperating with the friends and allies of the United States in activities of an agricultural nature and in analyzing agricultural activities and food conditions in enemy countries in order to provide information that will be useful both to the armed forces of the United States and to the policy-making officials of the Government in directing the war program. Probably the most important new phase of the work which has been added to the Office of Foreign Agricultural Relations was accomplished by the President through the establishment on June 9, 1942, of the Combined Food Board, which is charged with the best utilization of the United Nations' food commodities in short supply. The work of supplying appropriate international economic and agricultural information for this Board will continue in 1944 to be one of the major concerns of the Office of Foreign Agricultural Relations.

One important activity of the Office of Foreign Agricultural Relations is to provide the committees of the Combined Food Board with current information on the food resources of each of the United Nations. Another outstanding example concerns the direction and coordination of the Department's part in the program of cooperation with the Latin American Republics. This involves the encouragement of the production in Latin America of rubber, quinine and other tropical and semi-tropical products not produced in the United States, many of which are of a strategic and critical nature. An additional phase concerns discussions of surplus problems arising in the Western Hemisphere and British Empire Countries. In this field, considerable progress has been made in working out international understanding and agreements which will serve to lessen the problems resulting from surpluses of such commodities as wheat, cotton and coffee.

Prosecution of the war effort has required that greater attention be given to sources and availability of required import commodities, such as wool, vegetable oils, fibers, canned meats, hides and skins, and similar products. The threatened collapse of the economies of neighboring and allied countries has called for special information concerning commodity surpluses of cotton, wool, coffee, bananas, etc., as a basis for financial assistance and reciprocal economic cooperation. Economic warfare, particularly in the preclusive buying of commodities, has created new demands for foreign agricultural information.

All of this work requires the closest relations with a large number of other governmental agencies. These relations are maintained primarily through office representation on important interdepartmental committees or boards such as Interdepartmental Committee of Liaison Officers of the Lend-Lease Administration, the Board of Economic Warfare, the Export-Import Bank, Trade Agreements Committee, the Inter-American Financial and Economic Advisory Committees and the Interdepartmental Committee for Cooperation with Latin America.

While most of the efforts of the staff of the Office must be devoted to current activities concerned directly with the war effort, attention is also being given to problems of reconstruction after the war and the problem of adjusting American agriculture to the world situation that will then prevail.

Economic Importance of the Work: In times of peace comprehensive and detailed knowledge of foreign demand, of competitive production abroad, of changes in trade barriers, and of foreign government policies is essential in the intelligent production and marketing of agricultural products. In times of war this same information is especially useful to the various government agencies that are established to plan the country's war-time economy and carry out operations which in normal times are left to private initiative. It is found that these new agencies are relying more and more upon the information and personal knowledge represented in the staff of this Office.

Examples of Progress and Current Programs:

Collection and Analysis of Information of Foreign Agricultural Production and Trade and Government Policies: In the collection, analysis and dissemination of information on foreign agricultural production and trade and government policies and basic research in respect thereto, the professional members of the Office have been called upon to serve on numerous interdepartmental committees established in connection with these programs.

In the field of economic warfare analysis, specific studies have been made of the economic vulnerability of various hostile powers. These studies required a comprehensive appraisal of production, stocks available, supplies and the means of acquiring them, as well as the possibility of using substitutes.

Among the more important tasks performed have been the extensive studies of European and other countries involved in the war. The economic vulnerability of the hostile powers has been studied as a continuing project deemed highly significant to the Nation's war effort. Other important studies during the year include:

- 1 - Food Consumption in the United Kingdom
- 2 - Continental European Food Situation and Outlook
- 3 - Food Rationing in Germany
- 4 - Russo-German War and Soviet Agriculture
- 5 - Wartime Aspects of Egyptian Agricultural Economy
- 6 - French West Africa
- 7 - French Equatorial Africa
- 8 - Food Situation in Far Eastern and Southeastern Asia
- 9 - Cuban Agriculture
- 10 - Agriculture in the Argentine Trade Agreement
- 11 - The Agricultural Economy of Colombia
- 12 - Wartime Agriculture and Post-War Objectives
- 13 - Food Consumption in German Worker Families
- 14 - Food and Agricultural Conditions in Western Europe, Southeastern Europe, Central and Northern Europe
- 15 - The Food Situation and Food Needs at the Period of Reoccupation of Norway, Netherlands, Belgium, Italy, Greece, France, and the Coastal Regions of Yugoslavia
- 16 - Agricultural Reconstruction in Eastern Europe
- 17 - Food Situation and Resources in French North Africa

Foreign Trade Control and Economic Defense: Before the establishment of the Combined Food Board, the Office brought together the various agencies of the Governments of the United States and the United Kingdom and other interested governments and reached an agreement on the coordinated purchase and allocation of supplies of canned meats and fats and oils and oilseeds available to the United Nations throughout the world. It was arranged that the Ministry of Food of the United Kingdom would serve as the agent of the United Nations for the direct purchase of the entire canned meat output of Argentina, Brazil, Uruguay and Paraguay subject to allocation of purchases among the United Nations, including the armed forces of the United States and the United Kingdom, the essential civilian needs of the United Kingdom and the requirements of the U.S.S.R. in proportions to be agreed upon. In the case of fats and oils and oilseeds, agreements were made with respect to the division and allocation of purchases, the purchasing and transferring procedure and a proposed schedule of purchases of oils and fats was outlined.

Latin American Cooperation: The furtherance of the war effort by this Office has involved, among other activities, a continuation of the various cooperative enterprises with our neighbors. The Office of Foreign Agricultural Relations has coordinated and directed the Department's program of implementing the good neighbor policy along agricultural lines and of encouraging the production of complementary products in Latin America. In this respect the State Department has allotted funds to this Office for implementing the various projects developed from the surveys made in the recent past of agricultural conditions in Latin America. This has also involved various types of collaboration with the Export-Import Bank, the Office of the Coordinator of Inter-American Affairs, and the Board of Economic Warfare, wherein this Office has taken responsibility for applying the resources of the Department of Agriculture to the various programs of these agencies aimed at a furtherance of the war effort in the development of permanent beneficial relationships with these countries. It is also the task of the Office to coordinate the Department's activities under Public No. 33, 76th Congress, which authorizes the loan of technical assistants to the other American Republics.

With funds transferred from the Office of the Coordinator of Inter-American Affairs for field expenses, this Office conducted an economic resources survey of Ecuador, which has recently resulted in the establishment of a development corporation in Ecuador, financed by the Export-Import Bank, and managed under the joint control of Ecuadorans and citizens of this country. Also in connection with this development, a cooperative agreement has been signed in which the United States Department of Agriculture, the Ecuadoran Ministry of Agriculture, and the Ecuadoran Development Corporation, previously mentioned, combine their resources to develop various tropical products, complementary to our own agricultural economy, such as rubber, quinine, abaca and rotenone insecticides. Similar agreements have been signed with Peru, El Salvador, and Nicaragua, and are being considered with Colombia, Venezuela and Bolivia.

The work under the various rubber agreements has continued in fifteen Latin American countries for the purpose of determining the most suitable areas in which to produce rubber and for the development of high-yielding strains of

Hevea Brasiliensis which are resistant to the South American leaf disease. In relation to rubber producing plants, this Office has also assisted in the coordination of the Department's efforts to investigate the potentialities of various plants, such as Cryptostegia, Koksaghyz, and guayule. The next step in the production of commercial quantities of rubber in this Hemisphere is the development of nuclear plantations in various tropical areas, preparations for which are at the present time being made.

Participation of over fifty agricultural scientists in the Second Inter-American Conference of Agricultural Sciences, held in Mexico City, July 6-16, 1942, was arranged by this Office. The objective of the Conference was to make plans for the reorientation of the agricultural economy of the Hemisphere in relation to the war emergency and to the post-war period.

The Department has collaborated with the State Department in relation to cooperation with the other American Republics during the fiscal year 1942. For example, an Assistant Director of the Office has been appointed the Department of Agriculture representative on the Inter-Departmental Committee on Cooperation with the other American Republics. It has been the function of this representative to apply the informational and consultative resources of the Department of Agriculture to studies being made of proposed projects in cooperation with Latin American Governments in various scientific fields and representing several Departments of this Government. This Department maintains direct liaison connection with the Department of State through which the work of the Agricultural Attaches in the various diplomatic missions is correlated with the agricultural interests of this country as concerns both foreign markets and the importation of strategic commodities. The Department of Agriculture is frequently called upon by the Department of State for recommendations of well qualified agriculturists to perform foreign duty in Embassies and Legations as Agricultural Advisers to our chiefs of missions. This Office has recently selected candidates for such posts in Bogota, Colombia, and Caracas, Venezuela. In several cases during the past year, agricultural experts have been provided by the Department to assist other Governments in various technical agricultural problems.

International Commodity Collaboration: This Office with the cooperation of Commodity Credit Corporation negotiated three cotton purchase agreements with Latin American Countries. The first was with the Republic of Haiti for the purchase of surplus cotton, the second was with the Republic of Peru and the third with the Republic of Nicaragua. The Commodity Credit Corporation purchased surplus cotton under a Memorandum of Agreement with these countries who, under the terms of the agreement, found it advantageous to reduce their acreage and limit their production. Commodity Credit Corporation agreed to purchase the surpluses after these limitations had gone into effect. This Office negotiated the agreements through a representative who headed a purchasing mission in Latin America. Three are in operation and others are under consideration.

The Office took a leading part in continuing discussions with Canada and Argentina on a friendly basis in order to regulate the flow of fruit imports into this country so as not to seriously interfere with the domestic marketing programs of the United States. During the 1941-42 season after preliminary discussions with Canadian Government officials, it was agreed that Canadian apples would constitute no threat to producers and shippers of United States apples. In fact, apples moved into Canada in a fairly large volume during the early part of the current marketing season. While Canadian apples have moved into the American market following the harvesting of the British Columbia crop, it is quite likely that the movement of United States apples to Canada will be resumed in the late winter and early spring months. Negotiations were also carried for work with Canada to increase the supply of dried apples in order to meet the heavy demands made upon dried fruit stocks as a result of the war. This Office has also discussed with Canadian officials the possibility of increasing additional fruits and also vegetables to further the war effort.

It is the opinion of leaders in the fruit industry that the part played by the Office of Foreign Agricultural Relations has done much toward improving the relations between the two countries.

As a result of an international wheat agreement between the United States, the United Kingdom, Argentina, Australia and Canada, an international wheat council was established in Washington with headquarters in the Department of Agriculture. The agreement requires the adoption and maintenance during the war period on the part of the four exporting countries of positive measures to control production with the object of minimizing the accumulation of excessive stocks during the war. The agreement provides for the establishment of a pool of wheat for inter-governmental relief in war stricken and other necessitous areas as soon as the international situation permits.

Informational Activities: During the year, the publication of the periodicals of the Office were continued as follows: Foreign Crops and Markets was published on a weekly basis to a confidential list of Government officials and workers with a monthly summary for distribution to the public. Foreign Agriculture was continued on a monthly basis but in the interests of paper conservation, was reduced in size; Agriculture in the Americas was also reduced in size, though the circulation continues to about 8,000 individuals; the Latin American News Digest, consisting of one mimeographed sheet, is intended for administrative use only and attempts to summarize the news items specifically bearing on the relations of the United States with other American republics. The Digest is now published on a weekly rather than a daily basis.

A new series of Foreign Agricultural Reports began in January and seven numbers have been issued to the present date. Since the first of the year, two printed Foreign Agricultural Bulletins have been published. One relates to the agriculture of Colombia, the other to the agriculture of Cuba.

SUPPLEMENTAL FUNDS

(Not otherwise shown)

(Exclusive of Lend-Lease funds which are not included in Budget)

(1) Direct Allotments

There appears in the Department of State section of the Budget a schedule showing estimated obligations for fiscal years 1943 and 1944 under the heading "Cooperation with the American Republics" reflecting transfers in 1943 and proposed transfers in 1944 to the Office of Foreign Agricultural Relations for promoting in Latin America the production of complementary or non-competitive agricultural products.

Project	Obligations:	Estimated obligations:	Estimated obligations:
	1942	1943	1944
<u>Exportation and Domestic Consumption of</u>			
<u>Agricultural Commodities:</u> For services re-			
quired in the administration of Section 32			
of the Act of August 24, 1935	\$33,986	\$66,800	\$60,100
<u>Salaries and expenses, Agricultural Adjust-</u>			
<u>ment Administration:</u> For services in			
connection with agricultural adjustment			
programs	26,661	- -	- -
<u>Rubber Investigations, Bureau of Plant Indus-</u>			
<u>try, O.F.A.R.:</u> For coordinative, advisory			
and informational services in connection			
with development of rubber production in			
the Western Hemisphere	8,765	35,439	- -
<u>Emergency Fund for the President, National</u>			
<u>Defense:</u> For expenses of technical experts			
to assist in problems pertaining to livestock			
and other food products in British Isles ..	7,225	42,775	- -
<u>Working Fund, Agriculture, Office for Emer-</u>			
<u>gency Management, War:</u> For expenses in			
connection with sending agricultural spe-			
cialists to the Republic of Ecuador to work			
with officials of that government in es-			
tablishing a program looking toward in-			
creased production of complementary prod-			
ucts	38,794	- -	- -

Project	Obligations, 1942	Estimated obligations, 1943	Estimated obligations, 1944
<u>Working Fund, Agriculture, Office for Emergency Management, War:</u> For expenses of traveling exhibits of Latin American products in the United States	\$8,862	- -	- -
<u>Working Fund, Agriculture, Office for Emergency Management, War:</u> For expenses of agricultural specialists in connection with conducting agricultural surveys in Latin America	4,048	- -	- -
<u>Working Fund, Agriculture, Office for Emergency Management:</u> For expenses of sending mission to Bolivia to make technical and economic surveys in relation to agriculture	8,958	- -	- -
<u>Working Fund, Agriculture, Office for Emergency Management:</u> For sending livestock expert to Brazil	950	- -	- -
<u>Working Fund, Agriculture, Office for Emergency Management:</u> For expenses in connection with the establishment of agricultural experiment station at Tingo Maria, Peru	2,087	53,113	- -
<u>Working Fund, Agriculture, Office of the Coordinator of Inter-American Affairs:</u> To provide funds to cover necessary expenses in sending delegates to the Second Inter-American Conference of Agriculture at Mexico City	- -	12,000	- -
<u>Working Fund, Agriculture, Office for Emergency Management, War:</u> For expenses of investigating sites offered by Latin American countries for a proposed Institute of Tropical Agriculture	3,000	- -	- -
<u>Working Fund, Agriculture, Board of Economic Warfare:</u> For expenses in making survey on strategic material in Mexico and Central America	400	- -	- -
TOTAL, SUPPLEMENTAL FUNDS (Direct allotments)	143,736	210,127	60,100

INTERNATIONAL PRODUCTION CONTROL COMMITTEES

PROJECT STATEMENT

Project	: 1942	: 1943 (estimated)	: 1944 (estimated)	: Increase or decrease
1. U. S. Share of direct contri- butions for expenses of the International Production Control Committees	\$7,527	\$6,500	\$6,500	-
2. Professional and clerical ser- vices	6,000	1,800	1,800	-
3. Other expenses incident to for- mulation and operation of new international commodity agree- ments	- -	9,200	9,200	-
Unobligated balance	3,973	- -	- -	-
Total available	17,500	17,500	17,500	-
Allotted from:				
"Salaries and expenses, Agricul- tural Adjustment Administra- tion"	-13,500	-13,500	-13,500	-
"Sugar Act"	-4,000	-4,000	-4,000	-
Total estimate or appropria- tion	- -	- -	- -	-

This item continues during the fiscal year 1944 the authority contained in the 1943 Agricultural Appropriation Act enabling the Secretary of Agriculture to utilize funds available for Agricultural Adjustment to cover the cost of United States membership in the International Wheat Advisory Committee or like events or bodies concerned with the management of agricultural surpluses, etc., and to provide for travel and incidental expenses in connection with such participation. The amount authorized for this purpose in 1943 (\$17,500) remains unchanged in the 1944 Estimates.

Funds appropriated for effectuating the aims of crop control programs, conservation programs, and encouragement of exports have been made available, since the fiscal year 1935, for the payment of expenses of International Production Control Committees through a limitation heading bearing that title which has been contained in the Department of Agriculture appropriation bill.

Since that time expenses of representatives of the United States Department of Agriculture attending sessions of the International Wheat Advisory Committee have been paid under the authority contained in this limitation. Since the fiscal year 1938, expenses have also been paid on account of the International Sugar Council. In addition, this limitation has covered the reimbursement of the State Department for its payment of the United States' share of the costs of the Committee and the Council. Expenses incurred by the Department in connection with the International Cotton Committee and the statistical work of the Secretariat are also paid from this fund.

International Wheat Advisory Committee:

An interim Memorandum of Agreement regarding international trade in wheat was signed in June of 1942 as a first step toward the conclusion as soon as circumstances permit of a comprehensive wheat agreement.

The Memorandum of Agreement now concluded provides for the convening by the United States when the time is deemed propitious of a conference of all the nations having a substantial interest in wheat, whether as consumers or producers; and there is attached to it for consideration at that conference a Draft Convention prepared by the Washington Wheat Meeting. In the meantime the Memorandum of Agreement requires the adoption and maintenance on the part of the four exporting countries of positive measures to control production with the object of minimizing the accumulation of excessive stocks during the war.

The Memorandum of Agreement provides also for the immediate establishment of a pool of wheat for intergovernmental relief in war-stricken and other necessitous areas so soon as the international situation permits. It brings into operation the arrangements in the Draft Convention for contributions to a pool as they may be required of 100,000,000 bushels and additional quantities to be determined as the extent of the need becomes known.

The United States share in maintaining the Secretariat of the International Wheat Advisory Committee amounts to \$2,500 per year.

International Sugar Council:

The International Sugar Council is being continued on a skeletal basis. A meeting was held in June of 1942 in which the life of the agreement was extended for a two-year period beginning September 1, 1942. The signatories to the agreement are:

Union of South Africa	Haiti
Australia	Netherlands
Belgium	Peru
United Kingdom of Great Britain and North Ireland	Union of Soviet Socialist Republics
Cuba	United States
Czechoslovakia	Philippines
Dominican Republic	Brazil
	Poland

The agreement provides generally for the regulation of production and marketing on an international basis. The Council is active during the war period in granting permission to signatory countries to modify production and marketing of sugar because of exigencies occurring under the war situation.

It is expected that this Council will be highly significant in post-war adjustments in the international marketing of sugar.

International Cotton Advisory Committee:

No meetings were held by this Committee during the year. Several informal discussions were held, however, by the principal cotton producing countries looking toward an improvement in the cotton situation in those countries after the war.

In compliance with the suggestion made during the hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, concerning the 1943 appropriation, the financing of the International Production Control Committees has been the subject of discussions between the Department of Agriculture and the Department of State. These discussions brought out the fact that both the wheat and sugar agreements are of a relatively temporary nature, designed to deal with the emergency conditions, not strictly comparable to the treaty form of agreements generally supervised by the Department of State. In view of this, it was mutually agreed by the two departments that the Department of Agriculture would continue to include in its budgetary estimates the contributions required to sustain the agreements at least until such time as they may be established on a more definite basis or replaced by broader international arrangements.

OFFICE FOR AGRICULTURAL WAR RELATIONS

The Budget does not include schedules of obligations or an estimate of appropriation for 1944 for the Office for Agricultural War Relations, since the requirements of this Office will be submitted to Congress as a part of a supplementary Budget in the spring of 1943, along with estimates for other war agencies.

Funds were made available for the expenses of this Office in fiscal years 1942 and 1943 as follows:

Fiscal year 1942:

Transfer from Office for Emergency Management..... \$196,100

Fiscal year 1943:

First National Defense Appropriation Act, 1943..... 475,000

